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

FORM 10

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

COLUMBIA CARE INC.
(Exact name of registrant as specified in its charter)

British Columbia	**98-1488978**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification no.)**

680 Fifth Ave., 24th Floor
New York, New York 10019
(Address of principal executive offices and zip code)

(212) 634-7100
(Registrant's telephone number, including area code)

Copies to:

James Guttman
Dorsey & Whitney LLP
TD Canada Trust Tower
Brookfield Place, 161 Bay Street, Suite 4310 Toronto, Ontario
Canada, M5J 2S1
(416) 367-7376

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

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

(Title of class)

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

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

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

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IMPLICATIONS OF BEING AN EMERGING GROWTH COMPANY

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

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

We do not intend to take advantage of the extended transition period allowed for emerging growth companies for complying with new or revised accounting guidance as allowed by Section 107 of the JOBS Act and Section 7(a)(2)(B) of the Securities Act.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than $1.07 billion in annual revenues as of the end of a fiscal year, if we are deemed to be a large-accelerated filer under the rules of the Securities and Exchange Commission (the "**SEC**") or if we issue more than $1.0 billion of non-convertible debt over a three-year period.

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

This registration statement will become effective automatically 60 days from the date of the original filing (the "**Effective Date**"), pursuant to Section 12(g)(1) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). As of the Effective Date, we will become subject to the reporting requirements of Section 13(a) under the Exchange Act and will be required to file annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and we will be required to comply with all other obligations of the Exchange Act applicable to issuers filing registration statements pursuant to Section 12(g) of the Exchange Act.

Use of Names

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

Currency

Unless otherwise indicated, all references to "$" or "US$" in this registration statement refer to United States dollars, and all references to "C$" refer to Canadian dollars.

Disclosure Regarding Forward-Looking Statements

This registration statement on Form 10 includes "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities laws and United States securities laws (collectively, "forward-looking information"). All information, other than statements of historical facts, included in this registration statement that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future is forward-looking information. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, among others, information and statements regarding:

- the business, revenue, results and future activities of, and developments related to, the Company after the date of this registration statement, including as a result of the impact of COVID-19, and planned reductions of operating expenses;
- future business strategy, competitive strengths, goals, future expansion and growth of the Company's business and operations;
- whether any proposed transactions will be completed on the current terms and contemplated timing;
- expectations for the effects of any such proposed transactions, including the potential number and location of dispensaries or licenses to be acquired or disposed of;
- the ability of the Company to successfully achieve its business objectives as a result of completing any proposed acquisitions;
- the contemplated use of proceeds remaining from previously completed capital raising activities;
- the application for additional licenses and the grant of licenses or renewals of existing licenses for which the Company has applied or expects to apply;
- the rollout of new dispensaries, including as to the number of planned dispensaries to be opened in the future and the timing and location in respect of the same, and related forecasts;
- the expansion into additional markets;
- expectations as to the development and distribution of the Company's brands and products;
- new revenue streams;
- the impact of the Company's digital and online strategy;
- the implementation or expansion of the Company's in-store and curbside pickup services;
- the ability of the Company to successfully execute its strategic plans;
- any changes to the business or operations as a result of any potential future legalization of adult-use and/or medical cannabis under U.S. federal law;
- the effect of unfavorable tax treatment for cannabis businesses or other legislative, regulatory or judicial changes that have the effect of increasing the tax liability of the Company;
- expectations of market size and growth in the United States and the states in which the Company operates or contemplates future operations and the effect that such growth will have on the Company's financial performance,
- statements that imply or suggest that returns may be experienced by investors or the level thereof,
- the ability of the Company to list its securities on a national securities exchange,
- expectations for other economic, business, regulatory and/or competitive factors related to the Company or the cannabis industry generally, and
- other events or conditions that may occur in the future.

Readers are cautioned that forward-looking information and statements are not based on historical facts but instead are based on assumptions, estimates, analysis and opinions of management of the Company at the time they were provided or made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements.

Forward-looking information and statements are not a guarantee of future performance and are based upon estimates and assumptions of management at the date the statements are made including among other things estimates and assumptions about:

- the impact of epidemic diseases, such as the recent COVID-19 pandemic;
- contemplated acquisitions being completed on the current terms and current contemplated timeline;
- the ability to raise sufficient capital to advance the business of the Company and to fund planned operating and capital expenditures and acquisitions;
- the ability to manage anticipated and unanticipated costs;
- achieving the anticipated results of the Company's strategic plans;
- increasing gross profits, including relative to increases in revenue;
- the amount of savings, if any, expected from cost-cutting measures and divestitures of non-core assets;
- favorable equity and debt capital markets;
- the availability of future funding under the Company's equity and debt finance facilities;
- access to and stability in financial and capital markets;
- the ability to sustain negative operating cash flows until profitability is achieved;
- the ability to satisfy operational and financial covenants under the Company's existing debt obligations;
- favorable operating and economic conditions;
- political and regulatory stability;
- obtaining and maintaining all required licenses and permits;
- receipt of governmental approvals and permits;
- sustained labor stability;
- favorable production levels and sustainable costs from the Company's operations;
- consistent or increasing pricing of various cannabis products;
- the ability of the Company to negotiate favorable pricing for the cannabis products supplied to it;
- the level of demand for cannabis products, including the Company's and third-party products sold by the Company;
- the continuing availability of third-party service providers, products and other inputs for the Company's operations; and
- the Company's ability to conduct operations in a safe, efficient and effective manner.

While the Company considers these estimates and assumptions to be reasonable, the estimates and assumptions are inherently subject to significant business, social, economic, political, regulatory, public health, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking information and statements. Many estimates and assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct. Risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements include, among others:

- uncertain and changing U.S. regulatory landscape and enforcement related to cannabis, including political risks;

- risks and uncertainties related to the recent COVID-19 pandemic and the impact it may have on the global economy and retail sector, particularly the cannabis retail sector in the states in which the Company operates, and on regulation of the Company's activities in the states in which it operates, particularly if there is any resurgence of the pandemic in the future;
- the inability to raise necessary or desired funds;
- the inability to satisfy operational and financial covenants under the Company's existing debt obligations and other ongoing obligations as they become payable;
- funds being raised on terms that are not favorable to the Company or to existing shareholders;
- the inability to consummate any proposed acquisitions and the inability to obtain required regulatory approvals and third-party consents and the satisfaction of other conditions to the consummation of any proposed acquisitions on the proposed terms and schedule;
- the potential adverse impacts of the announcement or consummation of any proposed acquisitions on relationships, including with regulatory bodies, employees, suppliers, customers and competitors;
- the diversion of management time on any proposed acquisitions;
- risks related to future acquisitions or dispositions, resulting in unanticipated liabilities;
- reliance on the expertise and judgment of senior management of the Company;
- adverse changes in public opinion and perception of the cannabis industry;
- risks relating to anti-money laundering laws and regulation;
- risks of new and changing governmental and environmental regulation;
- risk of costly litigation (both financially and to the brand and reputation of the Company and relationships with third parties);
- risks related to contracts with and the inability to satisfy obligations to third-party service providers;
- risks related to the unenforceability of contracts;
- risks inherent in an agricultural business, including the impact of climate and pests;
- risks related to proprietary intellectual property and potential infringement by third parties;
- risks relating to financing activities including leverage;
- the inability to effectively manage growth;
- errors in financial statements and other reports;
- costs associated with the Company being a publicly-traded company;
- the dilutive impact of raising additional financing through equity or convertible debt;
- increasing competition in the industry;
- increases in energy and other raw material costs;
- risks associated with cannabis products manufactured for human consumption, including potential product recalls;
- inputs, suppliers and skilled labor being unavailable or available only at uneconomic costs;
- breaches of and unauthorized access to the Company's systems and related cybersecurity risks;
- constraints on marketing cannabis products;
- fraudulent activity by employees, contractors and consultants;

- tax and insurance related risks, including any changes in cannabis or cultivation tax rates;
- risks related to the economy generally;
- conflicts of interest of management and directors;
- failure of management and directors to meet their duties to the Company, including through fraud or breaches of their fiduciary duties;
- risks relating to certain remedies being limited and the difficulty of enforcement of judgments and effect service outside of Canada;
- sales by existing shareholders negatively impacting market prices;
- the limited market for securities of the Company;
- risks related to the Company's inability to list its securities on a national securities exchange; and
- limited research and data relating to cannabis.

Readers are cautioned that the foregoing lists are not exhaustive of all factors, estimates and assumptions that may apply to or impact the Company's results. Although the Company has attempted to identify important factors that could cause actual results to differ materially from the forward-looking information and statements contained in this this registration statement, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information and statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, readers should not place undue reliance on forward-looking information and statements. The forward-looking information and statements contained herein are presented to assist readers in understanding the Company's expected financial and operating performance and the Company's plans and objectives and may not be appropriate for other purposes. The forward-looking information and statements contained in this registration statement represents the Company's views and expectations as of the date of this Form 10 unless otherwise indicated. The Company anticipates that subsequent events and developments may cause its views and expectations to change. However, while the Company may elect to update such forward-looking information and statements at a future time, it has no current intention of and assumes no obligation for doing so, except to the extent required by applicable law.

Readers should read this registration statement and the documents that the Company references herein and has filed with the Securities and Exchange Commission at www.sec.gov completely and with the understanding that the Company's actual future results may be materially different from what it expects.

ITEM 1. BUSINESS

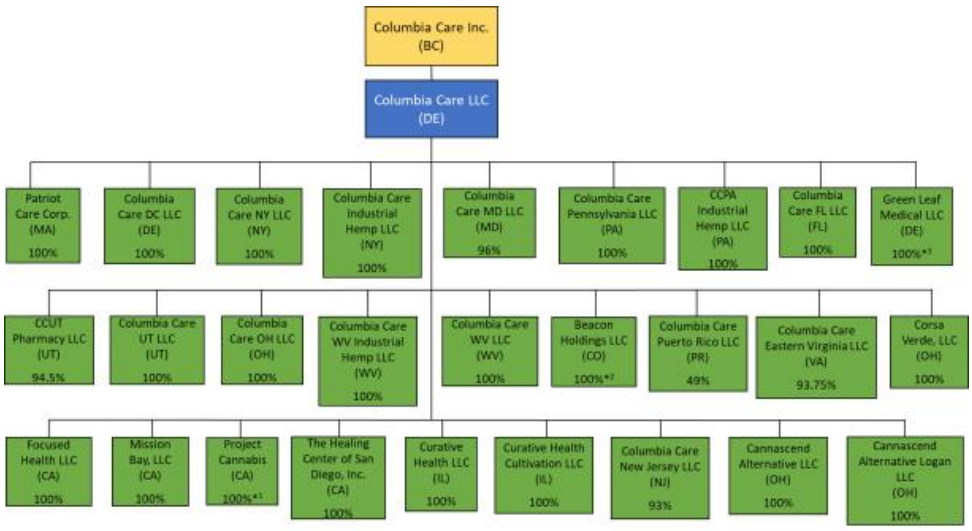
Background

Columbia Care Inc.'s common shares are listed on the Aequitas NEO Exchange (the "**NEO**") under the symbol "CCHW", on the Canadian Securities Exchange (the "**CSE**") under the symbol "CCHW", and are quoted on the OTCQX Best Market (the "**OTCQX**") under the symbol "CCHWF" and on the Frankfurt Stock Exchange under the symbol "3LP".

The Company's principal business activity is the production and sale of cannabis as regulated by the regulatory bodies and authorities of the jurisdictions in which it operates.

The Company, through its subsidiaries, currently owns or manages interests in several state-licensed medical and/or adult use marijuana businesses in Arizona, California, Colorado, Delaware, European Union, Florida, Illinois, Maryland, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, Puerto Rico, Utah, Virginia, Washington, D.C. and West Virginia.

The following organizational chart describes the organizational structure of the Company as of September 30, 2021. See Exhibit 21.1 to this registration statement for a list of subsidiaries of the Company. All lines represent 100% ownership of outstanding securities of the applicable subsidiary unless otherwise noted in Exhibit 21.1.



Notes:

1. As a result of the Project Cannabis Transaction, Columbia Care owns 100% of PHC Facilities, Inc., Resource Referral Services, Inc., and Wellness Earth Energy Dispensary, Inc. Columbia Care also acquired 49.9% of Access Bryant SPC with an option to purchase 100% of the entity when regulatory conditions permit such.
2. Beacon Holdings, LLC includes the following licensed subsidiary entities: The Green Solution, LLC, Rocky Mountain Tillage, LLC, and Infuzionz, LLC.
3. Green Leaf Medical, LLC includes the following licensed subsidiary entities: Green Leaf Medical, LLC (MD), Green Leaf Extracts, LLC (MD), Time for Healing, LLC (MD), Wellness Institute of Maryland, LLC (MD), Green Leaf Medical of Ohio II, LLC (OH), Green Leaf Medicals, LLC (PA), and Green Leaf Medical of Virginia, LLC (VA).

The registered office of the Company is 666 Burrard St., #1700, Vancouver, BC V6C 2X8. The head office is located at 680 Fifth Ave., 24th Floor, New York, New York 10019.

History of the Company

The Company was incorporated under the *Business Corporations Act* (Ontario) (the "**OBCA**") on August 13, 2018 under the name "Canaccord Genuity Growth Corp." as a special purpose acquisition corporation for the purpose of effecting an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization or any other similar business combination.

On October 17, 2018, the Company announced that it had entered into a letter of intent with Columbia Care LLC ("**Old Columbia Care**") to exclusively negotiate a business combination between the two companies. On November 21, 2018, the Company announced that it had entered into a definitive agreement (the "**Transaction Agreement**") with Old Columbia Care pursuant to which, among other things, the Company would acquire all of the membership interests of Old Columbia Care by way of a merger between Old Columbia Care and a newly-formed Delaware subsidiary of the Company (the "**Business Combination**"). The Business Combination constituted the Company's qualifying transaction.

The Business Combination was completed on April 26, 2019, at which point Old Columbia Care became a 100% wholly-owned subsidiary of the Company. In connection with the closing of the Business Combination, the Company was continued out of the jurisdiction of Ontario under the OBCA and into the jurisdiction of British Columbia under the *Business Corporations Act* (British Columbia) ("**BCBCA**").

General Development of the Business

Columbia Care has grown primarily by submitting responses to state-issued requests for proposals and obtaining cannabis licenses pursuant to such processes throughout the United States, where such activity is legal at the state-level. In 2020, Columbia Care also grew significantly from acquiring other leading cannabis operations. The Company also provides management services to licensed entities. As of the date hereof, Columbia Care holds, directly or indirectly, 118 licenses with 132 discrete facilities that are operational or in development.

2013-2021 Growth

	2013	2014	2015	2016	2017	2018	2019	2020	2021(1)
Employees	10	19	59	219	279	418	697	1775	2,633
Facilities	6	10	18	21	25	54	70	107	132
Jurisdictions	3	4	7	10	11	15	16	16	18

Notes:

(1) As of November 17, 2021

Excluding industrial hemp products, Columbia Care's cannabis license portfolio allows for an aggregate of approximately 2.039 million square feet of cultivation and manufacturing space within its currently leased or owned facilities and the potential to produce over 150,000 kilograms of dry flower annually, based on an assumed 65 grams per square foot of cultivation space and 5.2 harvests per year.

As a vertically-integrated company in the cannabis sector, where there may be material relationships or transactions that involve conflicts of interest, whether actual or perceived, Columbia Care will disclose any commissions, incentives, or other fees earned by Columbia Care, its pharmacists or other consultants. Columbia Care will also disclose risks associated with conflicts of interest, including but not limited to situations where Columbia Care, its clinics, pharmacists, or other consultants are paid a commission or education grant from a licensed producer or dispensary that is, or is related to, Columbia Care. Columbia Care does not currently have any material relationships or transactions that involve conflicts of interest, whether actual or perceived.

Development of Columbia Care's Portfolio of Licenses

The following is a summary of the material developments of Columbia Care's growing portfolio of licenses since its inception. Columbia Care, through its respective subsidiaries, primarily entered these markets after being selected by state governments through competitive processes. The disclosure set out below is presented in chronological order based on Columbia Care's involvement in the jurisdictions listed. Further details regarding Columbia Care's licenses and regulatory framework are set out under "*United States Regulatory Environment*."

2012

Washington, D.C.

Columbia Care entered the Washington, D.C. market in 2012. It operates in this market through its wholly- owned subsidiary, Columbia Care DC LLC ("**Columbia Care DC**"). Additionally, Columbia Care has entered into a management services arrangement with VentureForth LLC ("**VentureForth**"). Pursuant to this arrangement, Columbia Care has agreed to provide management services to VentureForth for a fee. VentureForth holds two licenses from the Washington D.C. Alcoholic Beverage Regulation Administration, one (1) license to cultivate and manufacture medical cannabis and one (1) license to dispense medical cannabis. Since July 2015, Columbia Care operates a separate cultivation facility through Columbia Care DC, pursuant to a license from the Washington D.C. Department of Alcoholic Beverage Regulation Administration to cultivate medical cannabis.

Arizona

Columbia Care entered the Arizona market in 2012. The Company operates in this market through management services arrangements with Salubrious Wellness Clinic, Inc. ("**SWC**") and 203 Organix, LLC ("**Organix**"). Columbia Care formed Columbia Care – Arizona, Tempe, LLC, and Columbia Care Arizona, Prescott, LLC, in 2013 to provide management services to SWC and Organix, respectively. SWC was awarded its approval to operate in June 2013 and Organix was awarded its approval to operate in February 2014. Adult-use cannabis sales launched at both SWC and Organix dispensaries in January 2021.

2013

Massachusetts

Columbia Care entered the Massachusetts market in 2013 and operates through its wholly-owned subsidiary Patriot Care Corp. ("**Patriot Care**"). Patriot Care operates three (3) co-located medical and adult-use cannabis dispensaries in the cities of Lowell, Greenfield and Boston. In Lowell, Patriot Care dba Cannabist received final approval to sell medical cannabis products in February 2016 and received approval to sell cannabis products for adult use in January 2019. In Greenfield, Patriot Care received final approval to sell medical cannabis products in 2016 and received final approval to sell cannabis products for adult use in January 2019. In Boston, Patriot Care dba Cannabist received final approval to sell medical cannabis products in 2018 and received final approval to sell cannabis products for adult use in August 2021.

2014

California

Columbia Care entered the California market in 2014 and operates through its wholly-owned subsidiary Mission Bay, LLC ("**Mission Bay**"). Mission Bay received a conditional use permit in May 2015 to operate a co-located medical and adult-use dispensary in San Diego which became operational in July 2019. Additionally, Columbia Care operates in California through its wholly-owned subsidiary, Focused Health LLC ("**Focused Health**"). Focused Health operates a medical and adult- use cultivation, manufacturing and distribution facility and was awarded a conditional use permit in 2018 and an annual manufacturing license in July 2019. In December 2020, Columbia Care acquired Project Cannabis, a leading cannabis cultivator, wholesaler and retailer based in Los Angeles. The acquisition included: 1) a dispensary in Studio City operated by The Wellness Earth Energy Dispensary, Inc.; 2) a dispensary in North Hollywood operated by Resource Referral Services, Inc.; 3) a dispensary in San Francisco operated by Access Bryant SPC; and 4) a co-located dispensary, cultivation and distribution facility in Los Angeles operated by PHC Facilities, Inc. In January 2021, Columbia Care further expanded its footprint in California by acquiring The Healing Center San Diego, a leading adult-use dispensary in San Diego.

2015

Illinois

Columbia Care entered the Illinois market in 2015 through an initial 75% ownership interest in each of Curative Health LLC ("**Curative Health**") and Curative Health Cultivation LLC ("**Curative Health Cultivation**"). Curative Health Cultivation received an operating permit to operate a medical cannabis cultivation facility in December 2015 and an adult use cultivation license in 2019. Curative Health Cultivation completed initial construction of its cultivation facility in Aurora in mid-2017 and began cultivation operations in the third quarter of 2017. Curative Health was awarded a Dispensing Organization Registration Authorization in February 2015 and following completion of construction in Chicago, it received a license to begin operations in August 2016 for the dispensing of medical cannabis. In August 2019, Columbia Care acquired the remaining minority ownership interests of both Curative Health and Curative Health Cultivation and both entities are now wholly owned by

Columbia Care. In November 2019, Curative Health received its Early Approval Adult-Use Dispensing Organization license for the Chicago dispensary. Curative Health began selling to adult-use customers in January 2020. In 2020, Columbia Care received an Adult-Use Dispensing Organization license for a dispensary in Villa Park. The Villa Park dispensary began operations in September 2020. Also, in January of 2020, Curative Health Cultivation received an Industrial Hemp Processor License.

New York

Columbia Care entered the New York market in 2015 and operates in this market through its wholly-owned subsidiary, Columbia Care NY LLC ("**Columbia Care NY**"). Columbia Care NY is licensed to cultivate, process and distribute medical cannabis. Columbia Care NY operates four (4) dispensary locations in Riverhead, Rochester, Brooklyn and Manhattan as well as two (2) cultivation and processing facilities in Rochester and Riverhead. These 2 cultivation and manufacturing facilities are operated simultaneously on a temporary basis until Columbia Care NY completes its relocation to Riverhead in 2022. In March 2017, Columbia Care NY received a Class 1 Schedule I Controlled Substance Bulk Manufacturing license from the New York Department of Health and Bureau of Narcotics Enforcement. In April 2019, the Company received Hemp Cultivator and Hemp Processor licenses and entered into a Research Partner Agreement with the State of New York to engage in CBD research in connection with industrial hemp products. In May 2019, Columbia Care NY received its Class 10 Exporter license from the Department of Health. The Company acquired a cultivation site in Riverhead, New York in April 2021 and received approval from the New York State Department of Health to commence cultivation and processing operations in September 2021. The first harvest is anticipated in December 2021.

Maryland

Columbia Care entered the Maryland market in 2015 and operates in this market through its 96%-owned subsidiary Columbia Care MD LLC ("**Columbia Care MD**"). In December 2016, Columbia Care MD was selected for pre- approval to pursue a medical cannabis dispensary license from the Maryland Department of Health and Mental Hygiene. Columbia Care MD received its final medical cannabis license in September 2019. In June 2021 the Company acquired Green Leaf Medical. In Maryland, Green Leaf Medical holds one cultivation license, one (1) processing license, two (2) dispensary licenses (one under a management agreement) with a third dispensary license in pre-approval stages.

2016

Delaware

Columbia Care entered the Delaware market in 2016 and operates in this market through a management services arrangement with Columbia Care Delaware LLC ("**Columbia Care Delaware**"). Columbia Care formed its 91%- owned subsidiary, Columbia Care DE Management LLC to provide management services to Columbia Care Delaware. Columbia Care Delaware operates one (1) Medical Marijuana Compassion Center in Milford where it cultivates and manufactures medical cannabis and three (3) medical marijuana dispensaries in Smyrna, Wilmington and Rehoboth Beach. The two (2) facilities in Milford and Smyrna became fully licensed and operational in 2018, while the dispensaries in Wilmington and Rehoboth Beach became fully licensed and operational in 2019.

Puerto Rico

Columbia Care entered the Puerto Rico market in 2016. It operates in this market through its 49%-owned subsidiary Columbia Care Puerto Rico LLC ("**Columbia Care Puerto Rico**"). Columbia Care Puerto Rico owns one (1) cultivation and manufacturing facility in Cidra, which received final licensure in March 2020, in addition to one (1) dispensary in San Juan that became fully licensed and operational in 2019 and one (1) dispensary in Ponce that became fully operational in March 2020. The Company suspended operations in Puerto Rico, in May 2020 due to significant headwinds resulting from a challenging regulatory environment and unforeseen events outside of the Company's control, including the COVID-19 pandemic.

Pennsylvania

Columbia Care entered the Pennsylvania market in 2016 and operates through its wholly-owned subsidiary Columbia Care Pennsylvania LLC ("**Columbia Care Pennsylvania**"). Columbia Care Pennsylvania is currently licensed by the Pennsylvania Department of Health to operate its three (3) medical marijuana dispensaries in Allentown, Scranton and Wilkes-Barre. In June 2021 the Company acquired Green Leaf Medical. In Pennsylvania, Green Leaf Medical holds one (1) grower/processor license.

2017

Ohio

Columbia Care entered the Ohio market in 2017. It operates in this market through its wholly-owned subsidiary, Columbia Care OH LLC ("**Columbia Care OH**"), a licensed cultivator of medical cannabis, and Corsa Verde, LLC ("**Corsa Verde**"), a licensed processor. In July 2021 the Company acquired Cannascend Alternative, LLC and Cannascend Alternative Logan, LLC (together "**Cannascend**"), which operates four Ohio dispensaries. Columbia Care also acquired Green Leaf Medical. In Ohio, Green Leaf Medical holds one dispensary license.

2018

Florida

Columbia Care entered the Florida market in 2018 and operates in that market through its wholly-owned subsidiary Columbia Care Florida LLC ("**Columbia Care Florida**"), which holds a license to cultivate, manufacture and distribute medical cannabis.

Columbia Care Florida currently operates a Good Manufacturing Practice ("**GMP**") certified cultivation and manufacturing facility in Arcadia and has a second 40,000 square foot cultivation and manufacturing facility in Lakeland. In July 2019, Columbia Care Florida opened dispensaries in Gainesville, Sarasota, Jacksonville and Cape Coral. In November 2019, Columbia Care Florida opened its Orlando dispensary. In January 2020, Columbia Care Florida opened dispensaries in Melbourne and St. Augustine. In February 2020, Columbia Care Florida opened dispensaries in Bradenton, Bonita Springs, and Stuart. In September and October 2020, Columbia Care Florida opened dispensaries in Brandon, Miami, Longwood, and Delray Beach. In January 2021, Columbia Care Florida received a license to cultivate hemp from the Department of Agriculture and Consumer Services. In March 2021 Columbia Care Florida obtained an approval to operate an additional cultivation facility in Alachua. The Alachua property is a 36 acre parcel that includes a 44,800 square foot cultivation facility. The Company anticipates completing its first harvest at the Alachua facility in the second quarter of 2021.

Virginia

Columbia Care entered the Virginia market in 2018 and operates through its 96%-owned subsidiary Columbia Care Eastern Virginia LLC ("**Columbia Care Eastern Virginia**"). In December 2018, Columbia Care Eastern Virginia entered into a long-term lease agreement for one (1) facility in Portsmouth from which it operates its cultivation, manufacturing, home delivery and dispensary operations. The Portsmouth cultivation facility began operating in August of 2020, and the Portsmouth dispensary began operations in December 2020. In 2021, the Portsmouth facility began producing oil and flower to dispense to registered patients. In June 2021 the Company acquired Green Leaf Medical. In Virginia, Green Leaf Medical holds one license, under which it operates one (1) cultivation and manufacturing facility in Richmond and two (2) dispensaries in Richmond and Glen Allen.

New Jersey

Columbia Care entered the New Jersey market in 2018 and operates through its 93%-owned subsidiary, Columbia Care New Jersey LLC ("**Columbia Care New Jersey**"). Columbia Care New Jersey received initial approval to cultivate, manufacture, and dispense medical cannabis products to qualified patients in December 2018. Columbia Care New Jersey received its cultivation and manufacturing Operational Permit in February 2020, at which time it opened its cultivation facility in Vineland. In June 2020, Columbia Care New Jersey opened one (1) dispensary in Vineland. Columbia Care New Jersey's manufacturing operations at its Vineland facility are currently being developed. In August 2021, Columbia Care opened its second New Jersey dispensary, located in Deptford. Columbia Care anticipates opening a third dispensary location in Mays Landing in the first quarter of 2022. Columbia Care also anticipates opening a second cultivation and manufacturing facility in Vineland in the second quarter of 2022 to add additional capacity to support the state's upcoming adult-use consumer demands.

European Union

Following review and approval process, Columbia Care received initial authorization to operate in Malta in November 2018. Columbia Care is exploring opportunities in Malta as well as other markets in the United Kingdom and European Union.

2020

Missouri

Columbia Care entered the Missouri market in 2020 and currently intends to operate through a management services arrangement with Columbia Care MO LLC ("**Columbia Care MO**") in 2021. Columbia Care MO is licensed to operate a medical marijuana dispensary and a medical marijuana manufacturing facility. Columbia Care has agreed to provide management services to both the medical marijuana dispensary and the medical marijuana manufacturing facility of Columbia Care MO for a fee.

Utah

Columbia Care entered the Utah market in 2020 and operates through its wholly-owned subsidiaries, CCUT Pharmacy LLC ("**CCUT**") and Columbia Care UT LLC ("**Columbia Care UT**"). CCUT operates a dispensary in Springville, which opened in the second quarter of 2021. Columbia Care UT has secured a manufacturing and processing facility in Centerville. In 2020, CCUT also received an industrial hemp license from the Department of Agriculture and Food.

West Virginia

Columbia Care Hemp West Virginia LLC was awarded a Research and Marketing Cultivation of Industrial Hemp from the State of West Virginia in 2020. This allows Columbia Care to cultivate industrial hemp in the State of West Virginia as well as to perform research.

In 2020, Columbia Care WV LLC, a wholly-owned subsidiary of Columbia Care, was awarded a medical cannabis grower license and medical cannabis processor license in West Virginia. Columbia Care operates a co-located cultivation and processing facility in Falling Waters. Columbia Care received final approval for cultivation operations in July 2021 and received final approval for processing operations in November 2021. In January 2021, Columbia Care was awarded 5 dispensary permits in Williamstown, Fayetteville, Morgantown, Beckley and St. Albans.

Colorado

In September 2020, Columbia Care acquired The Green Solution ("**TGS**"), one of the largest vertically integrated cannabis operators in Colorado, through a transaction initially valued at approximately $140 million, excluding certain performance-based milestone payments.

Founded in 2010, TGS currently operates twenty-three dispensaries, one manufacturing facility and four cultivation locations. In Denver, TGS operates a manufacturing facility, three cultivation facilities and three dispensaries. TGS operates two dispensaries and one cultivation facility (consisting of five cultivation licenses) in Trinidad. TGS operates five dispensaries in Aurora, two dispensaries in Sheridan and dispensaries in Adams County, Aspen, Black Hawk, Edgewater, Fort Collins, Glendale, Glenwood Springs, Longmont, Northglenn, Silver Plume, and Pueblo. In November 2021, Columbia Care acquired Futurevision 2020, LLC and Futurevision Holdings, Inc. d/b/a Medicine Man ("Medicine Man"). Medicine Man operates one dispensary and cultivation in Denver, one dispensary in Aurora, and one dispensary in Thornton. Columbia Care also possesses an option to acquire Medicine Man Longmont, LLC and its one dispensary in Longmont.

Development of Columbia Care's Other Business Elements

2018

Columbia National Credit (CNC)

Columbia Care launched the Columbia National Credit card ("**CNC**") as a pilot program in the second half of 2018 in its New York locations. Columbia Care formally announced the CNC in 2019, expanding the program to several other markets. The CNC is the first-ever credit card for cannabis purchases, operating similarly to most other retailer credit cards. The CNC is available as a payment solution in select markets for in-store, home delivery, and e-commerce purchases. Columbia Care strives to offer the CNC in as many markets as possible, subject to regulatory restrictions.

2019

Sale-Leaseback Transaction with NewLake Capital

In December 2019, Columbia Care announced that it had entered into a definitive agreement in connection with a sale-leaseback transaction (the "**NewLake Sale-Leaseback**") with NewLake Capital valued at $35 million. The NewLake Sale-Leaseback involved five properties totaling 127,000 square feet in California, Illinois and Massachusetts and closed December 23, 2019.

Launch of E-Commerce Platform

In December 2019, Columbia Care launched its e-commerce platform through its wholly-owned subsidiary Columbia Care Industrial Hemp LLC. The initial launch included a sampling of Columbia Care's Platinum CBD non-THC products, which offered the products to customers in states across the nation, subject to regulatory restrictions.

2020

March 2020 Private Placement of Units

In March 2020, the Company completed the first tranche of a non-brokered private placement (the "**March 2020 Private Placement**") of units (the "**March 2020 Private Placement Units**") for gross proceeds of US$14,250,000. Each March 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of 9.875% senior secured first-lien notes (the "**March 2020 Private Placement Notes**"); and (ii) 113 common share purchase warrants (the "**March 2020 Private Placement Warrants**") of the Company. On April 23, 2020, the Company completed the second and final tranche of the March 2020 Private Placement for additional gross proceeds of US$1,000,000. In total, the gross proceeds under the March 2020 Private Placement totaled US$15,250,000.

The March 2020 Private Placement Notes were governed by the terms of a trust indenture dated March 31, 2020 between the Company and Odyssey Trust Company, as trustee. The March 2020 Private Placement Warrants are governed by the terms of a warrant indenture (the "**March 2020 Warrant Indenture**") dated March 31, 2020 between the Company and Odyssey Trust Company, as warrant agent.

Launch of Virtual.Care Platform

In April 2020, the Company announced the launch of Virtual.Care (the "**Platform**"), an online educational and informational tool for patients, designated caregivers, and adult use purchasers, in those states where adult use cannabis is legalized. The Platform is accessed via the Company's age-gated website and was initially launched in three states: California, Illinois and Massachusetts and has now expanded to five additional jurisdictions: Arizona, Maryland, New Jersey, New York, and Washington, D.C.

Prior to launching the Platform, the Company's compliance team and external counsel undertook a review of the applicable federal and state privacy, advertising and cannabis laws and launched the Platform in a manner to ensure compliance with those laws. The Company's Platform is not intended to be used in advertising activities but is intended to be used solely as a virtual educational tool, allowing users to understand the products that the Company offers. There are no sales of products completed over the Platform.

A user may pre-order products but to complete an order, the user must physically visit the applicable Columbia Care dispensary. This requirement ensures compliance since no orders will be completed for residents of jurisdictions where medical and/or recreational cannabis is illegal, as applicable.

In jurisdictions where medical cannabis is legal, upon arrival of the user, the dispensary staff person will verify the user's medical marijuana card, government-issued identification and confirm the user's allotment to ensure the user is not exceeding the state's allotment limits. Once all of the foregoing is verified, the user will pay for the product to complete the purchase. The Platform does not allow medical users to obtain online certifications and any such certifications must be obtained through the normal channels.

In jurisdictions where recreational use is legal, upon arrival at the Columbia Care dispensary, the dispensary staff will verify that the user is at least 21 years of age by verifying the user's government-issued identification. Once the identification is verified, the user will pay for the product to complete the transaction. If the user does not have valid identification, the user will not be able to purchase cannabis at the Company's dispensaries. This process also allows monitoring of sales to non-residents and only allow sales where the state regulatory schemes allow an out-of-state resident to purchase product if he or she is present in the legal jurisdiction.

May 2020 Private Placement

In May 2020, the Company completed a concurrent brokered and non-brokered private placement (the "**May 2020 Private Placement**") of units (the "**May 2020 Private Placement Units**") for gross proceeds of US$19,115,000. Each May 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of 13.00% senior secured first-lien notes (the "**May 2020 Private Placement Notes**"); and (ii) 120 common share purchase warrants (the "**May 2020 Private Placement Warrants**") of the Company.

The May 2020 Private Placement Notes are governed by the terms of a trust indenture (the "**May 2020 Trust Indenture**") dated May 14, 2020 between the Company and Odyssey Trust Company, as trustee. The May 2020 Private Placement Warrants are governed by the terms of a warrant indenture (the "**May 2020 Warrant Indenture**") dated May 14, 2020, between the Company and Odyssey Trust Company, as warrant agent.

The May 2020 Private Placement Units were issued pursuant to the terms of certain subscription agreements (the "**May 2020 Private Placement Subscription Agreements**") entered into between the Company and the subscribers of the May 2020 Private Placement Units and pursuant to an agency agreement dated as of May 11, 2020, between the Company and Canaccord Genuity Corp., as agent for the May 2020 Private Placement.

As part of the May 2020 Private Placement, the March 2020 Private Placement Notes were cancelled and exchanged for an equivalent number of May 2020 Private Placement Notes. Subscribers of March 2020 Private Placement Units were issued an additional 8.55 May 2020 Private Placement Warrants for each March 2020 Private Placement Unit held by such subscribers.

Roll-Up of Better-Gro

In June 2020, the Company acquired (the "**Better-Gro Acquisition**") the remaining 30% of the issued and outstanding equity interests of Better-Gro not already owned by the Company for aggregate consideration of US$15,500,000, of which US$14,500,000 was satisfied through the issuance by the Company of Common Shares.

Following closing of the Better-Gro Acquisition, the Company now indirectly owns 100% of the equity Interests of Better-Gro.

June 2020 Private Placement of Convertible Notes

In June 2020, the Company completed the first tranche of a non-brokered private placement (the "**June 2020 Convertible Note Private Placement**") of 5.00% senior secured convertible notes (the "**June 2020 Convertible Notes**") for gross proceeds of US$12,800,000. In July 2020, the Company completed the second tranche of the June 2020 Convertible Note Private Placement for additional gross proceeds of US$3,960,000. Later in July 2020, the Company completed the third and final tranche of the June 2020 Convertible Note Private Placement for additional gross proceeds of US2,000,000. In total, the gross proceeds under the June 2020 Convertible Note Private Placement amounted to US$18,760,000. The June 2020 Convertible Notes are governed by the terms of the May 2020 Trust Indenture, as supplemented by a first supplemental indenture (the "**June Supplemental Indenture**") dated as of June 19, 2020, between the Company and Odyssey Trust Company, as trustee.

July 2020 Private Placement of Units

In July 2020, the Company completed a brokered private placement (the "**July 2020 Unit Private Placement**") of units (the "**July 2020 Private Placement Units**") for gross proceeds of US$4,000,000. Each July 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of May 2020 Private Placement Notes; and (ii) 75 common share purchase warrants (the "**July 2020 Private Placement Warrants**") of the Company.

The July 2020 Private Placement Warrants are governed by the terms of a warrant indenture (the "**July 2020 Warrant Indenture**") dated July 2, 2020, between the Company and Odyssey Trust Company, as warrant agent.

Sale-Leaseback Transaction with Innovative Industrial Properties

In July 2020, Columbia Care announced that it had closed a sale-leaseback with Innovative Industrial Properties (the "**IIP Sale-Leaseback**") valued at approximately $14 million. The IIP Sale-Leaseback involved two properties totaling 54,000 square feet in Vineland, New Jersey.

October 2020 Private Placement of Units

In October 2020, Columbia Care completed a brokered private placement of units (the "**October 2020 Private Placement Units**") for gross proceeds of approximately US$20.4 million. Each October 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of 13.00% senior secured first-lien notes (the "**October 2020 Private Placement Notes**"); and (ii) 60 common share purchase warrants of the Company (the "**October 2020 Private Placement Warrants**").

The October 2020 Private Placement Notes are governed by the terms of the May 2020 Trust Indenture, as supplemented, between the Company and Odyssey Trust Company, as trustee. The October 2020 Private Placement Warrants are governed by the terms of a warrant indenture (the "**October 2020 Warrant Indenture**") dated October 29, 2020, between the company and Odyssey Trust Company, as warrant agent.

November 2020 Private Placement of Units

In November 2020, Columbia Care completed a non-brokered private placement of October 2020 Private Placement Units for gross proceeds of approximately US$9.1 million. Also in November 2020, Columbia Care completed a non-brokered private placement of October 2020 Private Placement Units for gross proceeds of approximately US$3.3 million.

Later in November 2020, Columbia Care completed a non-brokered private placement of units (the "**November 2020 Private Placement Units**") for gross proceeds of approximately US$200,000. Each November 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of October 2020 Private Placement Notes; and (ii) 125 October 2020 Private Placement Warrants.

The Green Leaf Transaction

In December 2020, Columbia Care announced that it had entered into a definitive agreement (the "**Green Leaf Medical Agreement**") to acquire Green Leaf Medical (the "**Green Leaf Transaction**"), a privately held, multi-state operator. The Green Leaf Medical Agreement contemplates upfront consideration of approximately US$240,000,000, comprised of US$45,000,000 in cash and US$195,000,000 payable in Common Shares, in addition to potential performance-based milestone payments in 2022 and 2023.

Prior to entering into the Green Leaf Medical Agreement, Columbia Care's management conducted extensive analysis of the business being acquired. Among other things, the Company's analysis included consideration of Green Leaf Medical's historical financial performance, its competitive strength, expectations for changes to the regulatory environment in which it operates, and the expertise of its management and employees.

Furthermore, Columbia Care's Board retained independent experts to provide advice and assistance, including the preparation and delivery to the Board, an opinion as to the fairness of the Green Leaf Medical Agreement, from a financial point of view, to the Company.

In Maryland, Green Leaf Medical holds one cultivation license, one processing license, two dispensary licenses (one under a management agreement) with a third dispensary license in pre-approval stages. Green Leaf also holds one dispensary license in Ohio, one grower/processor license in Pennsylvania, and one license in Virginia, which permits Green Leaf to operate one co-located cultivation/dispensary facility and five stand-alone dispensaries in their authorized region.

The Green Leaf Transaction closed on June 11, 2021, following receipt of all required regulatory approvals, including, but not limited to the Hart-Scott-Rodino Antitrust Improvements Act, as well as state level approvals.

2021

January 2021 Offering of Common Shares

In January 2021, Columbia Care completed a bought deal public offering of Common Shares (the "**January 2021 Offering**") for gross proceeds of C$149,508,625, which included the exercise in full of the over-allotment option granted to the underwriters, before deducting the underwriters' fees and estimated offering expenses. The January 2021 Offering was conducted in each of the provinces of Canada, other than Québec, pursuant to a prospectus supplement to the Company's base shelf prospectus dated September 2, 2020, and elsewhere outside of Canada on a private placement basis.

February 2021 Private Placement of Common Shares

In February 2021, Columbia Care completed a bought deal private placement of Common Shares (the "**February 2021 Offering**") for gross proceeds of C$28,980,000, which included the exercise in full of the over-allotment option granted to the underwriters, before deducting the underwriters' fees and estimated offering expenses. The February 2021 Offering was conducted in certain provinces of Canada pursuant to applicable exemptions from the prospectus requirements of Canadian securities laws. The Common Shares were also sold in the United States and in certain jurisdictions outside of Canada and the United States, in each case in accordance with applicable laws.

April 2021 Conversion of June 2020 Convertible Notes

In April 2021, Columbia Care offered an incentive program to the holders of its June 2020 Convertible Notes, pursuant to which, the Company issued to each holder of the June 2020 Convertible Notes that surrendered such June 2020 Convertible Notes for conversion on or before May 28, 2021, 20 Common Shares for each $1,000 aggregate principal amount of June 2020 Convertible Notes surrendered for conversion. The Company issued 4,550,139 Common Shares in connection with the conversion of the June 2020 Convertible Notes.

July 2021 Private Placement

In July 2021, Columbia Care completed a private placement (the "**July 2021 Convertible Note Private Placement**") of 6.00% secured convertible notes for gross proceeds of US$74,500,000.

Description of the Business

Overview of the Company

Columbia Care is a U.S.-based, vertically-integrated consumer product, health and wellness cannabis company with cultivation, product development, production, home delivery and dispensary operations. The Company has built one of the broadest and longest operational records of any licensee in publicly administered medicinal and adult-use cannabis programs in the United States. It has developed proprietary branded products with intellectual property comprised of a variety of medical and adult-use form factors, including but not limited to proprietary formulations, precision manufactured dosing and cannabis flower and flower-derived products. The Company's mission is to improve lives through product innovation, research and development and outstanding patient and consumer experience. Columbia Care's vision is to address the world's health and wellness needs through plant-based medicine.

Columbia Care is one of the largest and most experienced cultivators, manufacturers and providers of medical cannabis products and services in the United States. With operations in 18 highly regulated jurisdictions in the United States and the European Union ("**EU**"), management estimates that Columbia Care's addressable market represents more than $16 billion in 2021, as set out in the table below.

Table 1: Columbia Care's Current Addressable U.S. Market Opportunity (as of November 12, 2021)

	Columbia Care Addressable Market[2]				
State	Population (M)[1]	Est 2021 Sales (US$M)	Est 2026 Sales (US$M)	Status	Licenses
California	39.6	$ 4,179.0	$ 7,012.3	Both	Unlimited
Colorado	5.7	$ 2,447.3	$ 3,029.8	Both	Unlimited
Arizona	7.2	$ 1,408.9	$ 1,923.3	Both	Limited
Florida	21.3	$ 1,611.7	$ 1,383.1	Medical	Limited
Illinois	12.7	$ 1,776.0	$ 2,571.2	Both	Limited
Massachusetts	6.9	$ 1,572.8	$ 2,283.2	Both	Limited
Pennsylvania	12.8	$ 1,349.5	$ 2,301.3	Medical	Limited
Maryland	6.0	$ 586.1	$ 1,328.0	Medical	Limited
Ohio	11.7	$ 369.0	$ 1,363.8	Medical	Limited
New Jersey	8.9	$ 248.9	$ 3,000.0[2]	Both*	Limited
New York	19.5	$ 149.2	$ 5,000.0[2]	Both*	Limited

Utah	3.2	$ 63.7	$ 366.0	Medical	Limited
Missouri(3)	6.1	$ 181.0	$ 959.1	Medical	Limited
Delaware	1.0	$ 37.3	$ 140.2	Medical	Limited
Washington, D.C.(3)	0.7	$ 39.6	$ 219.0	Medical	Limited
Virginia	8.5	$ 20.9	$ 3,000.0(2)	Both*	Limited
West Virginia	1.8	$ 1.3	$ 32.8	Medical	Limited
TOTAL	**173.6**	**$ 16,042.2**	**$ 35,913.1**		

Notes:

(1) Population figures derived from the 2018 U.S. Census Bureau.
(2) Estimated Sales figures from BDSA Market Forecast as of September 2021, broker research, company estimates.
(3) Consultative services provided pursuant to terms of a management services arrangement.

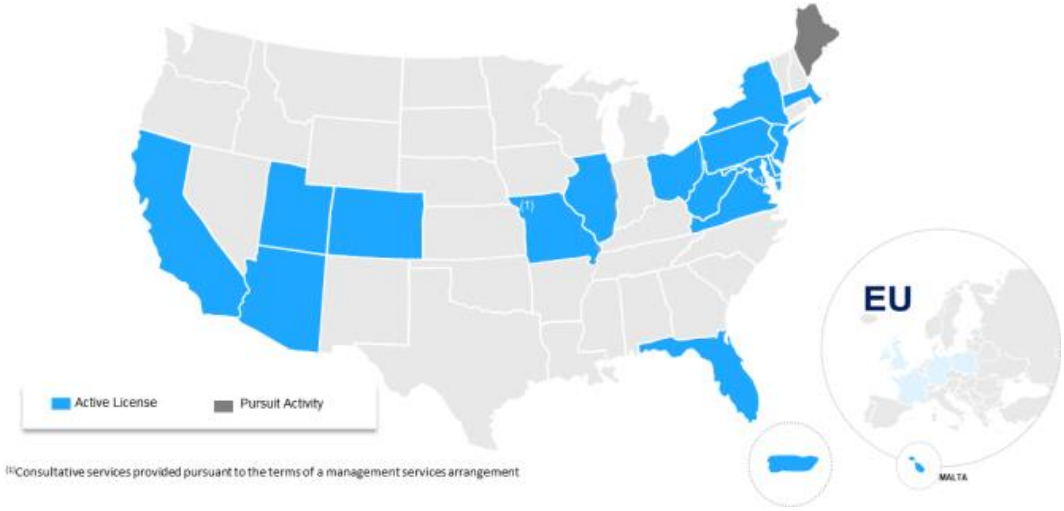
In addition to its U.S. operations, Columbia Care has operations in the United Kingdom (UK) and the European Union (EU). In December 2021, Columbia Care launched a range of vaporizer pen products to supplement its proprietary solid-fill cannabis powder capsule (available since April 2021) and medical cannabis tinctures (available in the region since April 2020). For medical cannabis products in the UK, Columbia Care partners with IPS Pharma, a leading pharmaceutical manufacturer licensed by the UK's Medicines and Healthcare products Regulatory Agency (MHRA), who manufactures Columbia Care's proprietary product formulations for the UK market. Columbia Care's proprietary medical cannabis tincture formulations have received certain approvals from the German regulator, BfArM, and it is expected that these will be first made available in Germany before the end of 2021.

Since 2019, Columbia Care's flagship wellness brand, Columbia Care Platinum, has been available in the United Kingdom. Columbia Care submitted its Novel Foods dossier for these products in 2020 in accordance with the United Kingdom's Food Standards Agency's timeline to validate the dossier to meet the regulatory requirements of the region. Columbia Care launched its eCommerce channel for the United Kingdom in July 2021.

Columbia Care is exploring further opportunities in the UK and the European Union to leverage the supply chain established within the region and to respond to the growing demand in Europe for medical cannabis products. The regulatory environment will enable Columbia Care to supply other regions from the supply it has established for the UK and Germany.

Through its contractual arrangements, Columbia Care seeks to ensure that its partners have obtained the required licenses for their respective activities (including cultivation, manufacture, and distribution of medical cannabis) and comply with all applicable laws and regulations. See "European Union Regulatory Environment".

Figure 1: Columbia Care Footprint



Columbia Care actively operates or has under development, cultivation and/or production assets in Arizona, California, Colorado, Delaware, Florida, Illinois, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, Utah, Virginia, Washington, D.C., and West Virginia. Columbia Care's existing U.S. license portfolio allows for (i) an aggregate of approximately 2,278,710 square feet of indoor cultivation and production footprint (including operational, in development and optioned space) within its currently leased or owned facilities (including options to expand within such facilities), with the potential to produce more than 150,000 kg of dry flower on an annual basis and (ii) an aggregate of approximately 143.8 acres of outdoor cultivation and production footprint (including operational and optioned space). This capacity does not include the potential yield from Columbia Care's outdoor marijuana and industrial hemp acreage, which will vary seasonally. Since Columbia Care currently has operating facilities and projects under development across multiple jurisdictions in the United States, Columbia Care is not substantially dependent on any individual cultivation facility or dispensary. This data does not include any announced acquisitions subject to definitive agreements that have not yet closed.

The table below describes each jurisdiction's indoor and greenhouse cultivation and/or production operations:

Jurisdiction	Approximate / Current Facility Size (sq. ft.)	Status	Approximate Expansion Capacity (sq. ft.)
Arizona	28,000	Operational	
	6,800	Operational	—
California	45,572	Operational	
	36,028	Operational	—
Colorado (1)	20,295	Operational	
	29,699	Operational	
	58,488	Operational	
	12,327	Operational	
	29,444	Operational	
	35,000	Operational	—
Delaware	20,000	Operational	—
Florida	13,845	Operational	
	40,000	Operational	
	13,248	Operational	
	38,280	Operational	168,000
Illinois	32,802	Operational	—
Maryland	42,000	Operational	
Massachusetts	38,890	Operational	—
Missouri (2)	12,630	Under development	—
New Jersey	50,274	Operational	
	270,000	Under development	
New York	58,346	Operational	149,997
	740,000 (3)	Under development	200,000
Ohio	110,521	Operational	
	7,201	Operational	—
Pennsylvania	100,000	Operational	
	174,000	Under development	
Puerto Rico (4)	25,486	Operations awaiting sale	—
Utah	11,371	Under Development	—
Virginia	65,765	Operational	
	82,000	Operational	—
Washington, D.C.	7,100 (5)	Operational	
	9,491	Operational	—
West Virginia	39,293	Operational	—
Total	**2,278,710**		**517,997**

Notes:

(1) Acquired in connection with the TGS acquisition.
(2) Subject to a management services agreement through which the Company will provide consultative services.
(3) Includes 30,000 sq. ft. of operational greenhouse canopy at Riverhead, Long Island facility.
(4) Operations suspended indefinitely as of May 7, 2020.
(5) Leased by VentureForth LLC.

The table below describes each jurisdiction's outdoor cultivation and/or production operations:

Jurisdiction	Approximate Size (acres)	Status	Approximate Expansion Capacity
Colorado	11.5 (1)	Operational	32.3 (3)
	50 (2)	Operational	74.9
Total	**51.5**		**107.2**

Notes:

(1) Includes 13,604 sq. ft. indoor processing facility located on the premises.
(2) Includes four separate 3,960 sq. ft. greenhouse cultivation facilities located on the premises.
(3) Columbia Care has the potential to expand outdoor cultivation activities up to 107.2 acres under current lease terms subject to state and local regulatory approval.

Columbia Care's refined cultivation practices have experienced several iterations since its inception. Its cultivation expertise reflects years of operating experience and specialized input from agricultural, manufacturing, scientific and security experts. The Company has implemented the best practices employed at its nationwide locations in each new facility that it develops and expects to continue to improve and optimize its methods and infrastructure to ensure competitiveness and excellence.

Columbia Care's production platform is designed to cultivate and manufacture cannabinoid-based products that are used specifically for medical use or consumer wellness, and health products produced to assure consistency and quality. Columbia Care engages national engineering consultants to design bespoke systems that follow industry best practices in order to produce its products. Columbia Care does all of this to optimize product quality, minimize the risk of exposing patients and consumers to potentially harmful contaminants while maximizing the effectiveness and consistency of the approved products delivered.

Columbia Care believes that a clean and sanitized growing and processing environment is key to ensuring the integrity of products. These self-imposed disciplines are more resource intensive than the industry standard, but are designed to yield a safe, consistent, contaminant-free product that will lead the market in quality, safety and efficacy.

Columbia Care's growing process is designed to maximize quality, consistency and yield, while limiting contamination by fungal and bacterial diseases, insect and vertebrate pests, non-organic pesticides and other harmful contaminants. Each step in Columbia Care's cultivation process, including (i) germination/propagation; (ii) vegetation; (iii) bloom; and (iv) harvest is carefully executed using refined standard operating procedures and training protocols. Columbia Care has standardized nutrient protocols, growing environments, water and irrigation strategies, growing mediums, climate controls, plant tracking, and staffing programs among other components of its cultivation and manufacturing operations. Its ultimate goal is to maximize the biomass output (grams per square foot) across all Columbia Care-operated facilities at the lowest cost possible without sacrificing product quality.

Extraction

Columbia Care utilizes a number of well-established, regulatory-approved methods for cannabinoid extraction and performs extraction of the leaves, trimmings and flowers of female cannabis plants to produce an approved cannabinoid product form. Materials used for extraction adhere to the equivalent to FDA-regulated food or beverage quality. Once extracted, Columbia Care's expert formulation staff formulates proprietary extracts into easily administered consumer products and medications for patient and consumer delivery by following protocol and state regulations.

Dispensaries

Columbia Care has, manages or is developing dispensaries in Arizona, California, Colorado, Delaware, Florida, Illinois, Maryland, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, Utah, Virginia, Washington, D.C. and West Virginia. All of Columbia Care's dispensaries have either licensed pharmacists or trained personnel on staff to ensure that customers and patients have access to knowledgeable personnel that can advise on the responsible use of cannabis including delivery formats and dosing schedules. The table below describes each jurisdiction's dispensary operations. This data does not include any announced acquisitions subject to definitive agreements that have not yet closed.

Jurisdiction	City	Status
Arizona	Prescott	Operational
	Tempe	Operational
California	Los Angeles	Operational
	North Hollywood	Operational
	San Diego (2 locations)	Operational
	San Francisco	Operational
	Studio City	Operational
Colorado	Adams County	Operational
	Aspen (1)	Operational
	Aurora (6 locations)	Operational
	Black Hawk	Operational
	Denver (4 locations)	Operational
	Edgewater	Operational
	Fort Collins	Operational
	Glendale	Operational
	Glenwood Springs	Operational
	Longmont	Operational
	Northglenn	Operational
	Sheridan (2 locations)	Operational
	Silver Plume	Operational
	Pueblo	Operational
	Trinidad (2 locations)	Operational
	Thornton	Operational
Delaware	Rehoboth Beach	Operational
	Smyrna	Operational
	Wilmington	Operational
Florida	Bonita Springs	Operational
	Bradenton	Operational
	Brandon	Operational
	Cape Coral	Operational
	Delray Beach	Operational
	Gainesville	Operational
	Jacksonville	Operational
	Longwood	Operational
	Melbourne	Operational
	Miami	Operational
	Orlando	Operational
	Sarasota	Operational
	St. Augustine	Operational
	Stuart	Operational

Jurisdiction	City	Status
Illinois	Chicago	Operational
	Villa Park	Operational
Maryland	Chevy Chase	Operational
	Frederick	Operational
	Rockville (2)	Operational
	Prince George's County	Under Development
Massachusetts	Boston	Operational
	Greenfield	Operational
	Lowell	Operational
Missouri (3)	Hermann	Operational
New Jersey	Vineland	Operational
	Deptford	Operational
	May's Landing	Under development
New York	Brooklyn	Operational
	Manhattan	Operational
	Riverhead	Operational
	Rochester	Operational
Ohio (2)	Dayton	Operational
	Logan	Operational
	Marietta	Operational
	Monroe	Operational
	Warren	Operational
Pennsylvania	Allentown	Operational
	Scranton	Operational
	Wilkes-Barre	Operational
Puerto Rico (4)	Ponce	Non-Operational; Operations awaiting sale
	San Juan	Non-Operational; Operations awaiting sale
Utah	Springville	Operational
Virginia	Portsmouth (co-located with cultivation and manufacturing operations)	Operational
	Richmond (co-located with cultivation and manufacturing operations)	Operational
	Short Pump	Operational
	Virginia Beach	Under development
	Careytown	Under development
	7 Additional Locations	Under development
Washington, D.C.	Washington, D.C. (5)	Operational
West Virginia (6)	Beckley	Under development
	Fayetteville	Under development
	Morgantown	Under development
	St. Albans	Under development
	Williamstown	Under development

Notes:

(1) Temporarily closed.

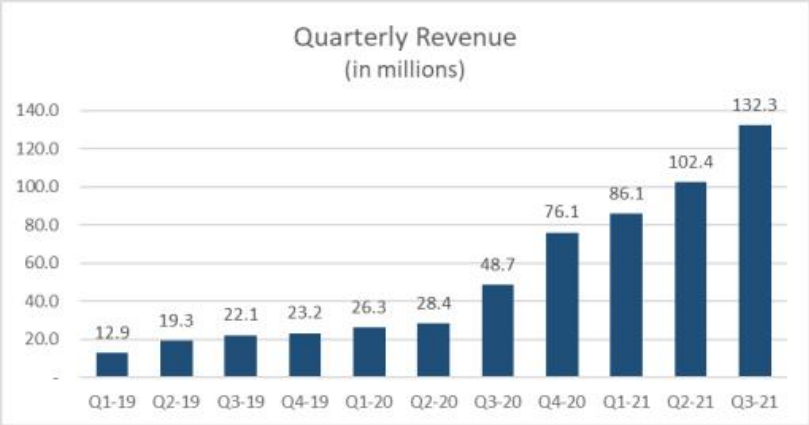
(2) Currently subject to a management services agreement until final regulatory approval is granted for the acquisition
(3) Subject to an option agreement
(4) Operations suspended indefinitely as of May 7, 2020
(5) Leased by VentureForth LLC
(6) Locations are subject to change

Performance Indicators

As Columbia Care seeks to manage its development, management currently uses key performance indicators ("**KPIs**") to assess its rate of growth and performance. These KPIs include top-line revenue growth, growth in gross and Adjusted EBITDA margin. Adjusted EBITDA margin is a useful measure to assess the performance of Columbia Care as it provides more meaningful operating results by excluding the effects of certain expenses that are not reflective of Columbia Care's operating performance as a percentage of revenue. The Company's KPIs are generally used by Columbia Care's competitors in the global cannabis industry.

The Company's performance with respect to its top line revenue growth, growth in gross and Adjusted EBITDA KPIs is set out below.

Table 1: Columbia Care Quarterly Revenue



Note:

(1) Net revenue is calculated as gross revenue minus discounts.

Table 2: Columbia Care Quarterly Gross Margin

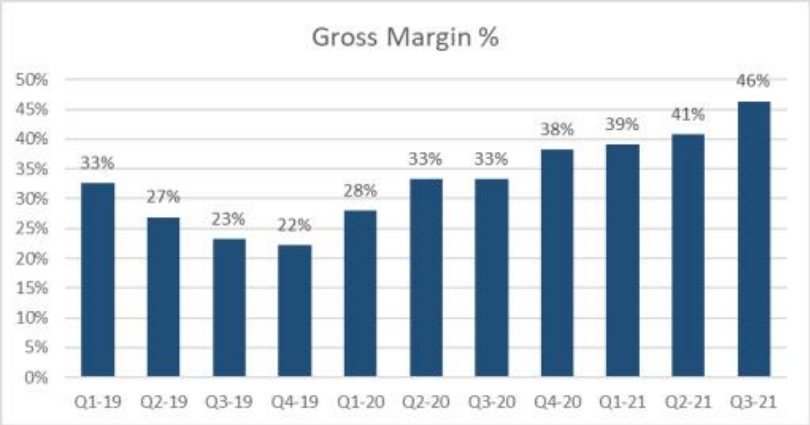
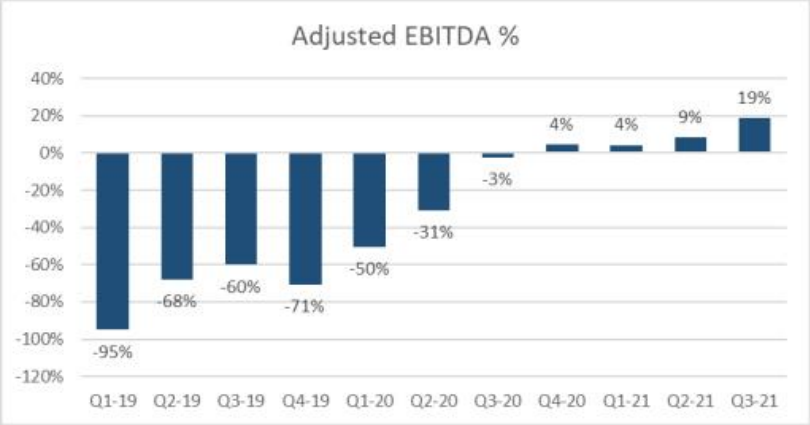


Table 3: Columbia Care Quarterly Adjusted EBITDA Margin



Branding and Marketing

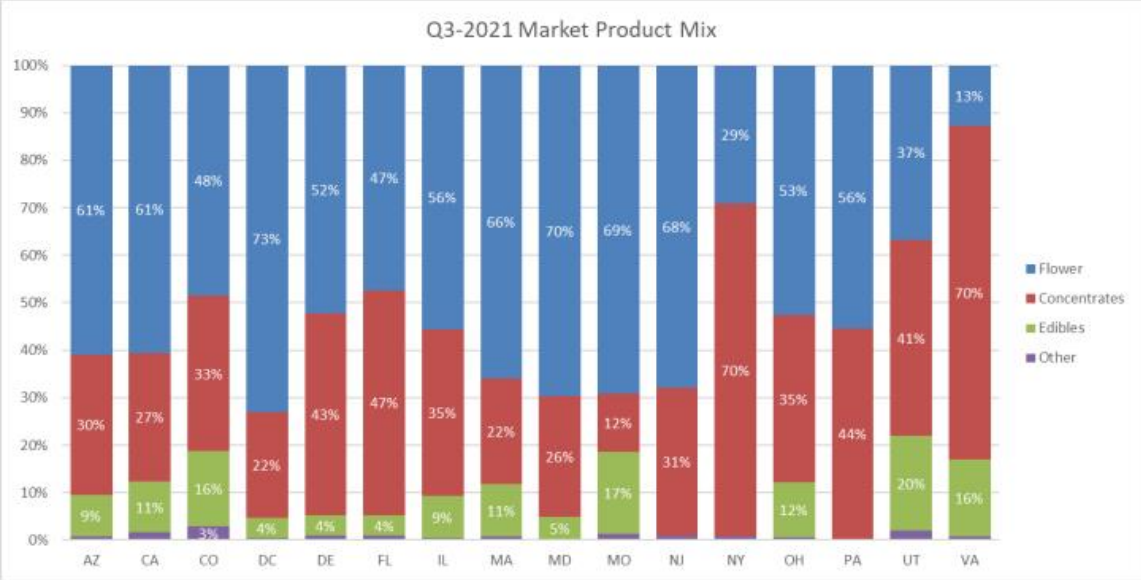
Columbia Care employs a diverse and knowledgeable staff of pharmacists and trained personnel for its dispensaries that reflect and embody its brand. Columbia Care has built its reputation on providing trusted, high-quality medical cannabis products to improve patients' wellness journeys, which are also now available for adult-use consumption. The Company believes that Columbia Care has become known in the jurisdictions in which it operates as a trusted mark for health and wellness cannabis by constantly innovating to provide the best solutions for its patients and customers. As Columbia Care expands into new markets, it aims to be a leader in developing a national health and wellness cannabis brand, which in turn is expected to support its expansion into international jurisdictions.

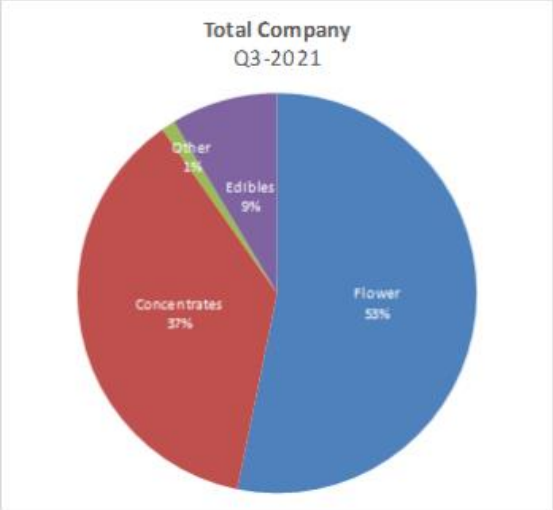
In May 2021, Columbia Care launched its Cannabist retail ecosystem. The Cannabist retail experience is centered on making shopping for cannabis as simple and approachable as possible, accommodating the vast range of experience levels among patients and customers. Merchandising set-ups and store layouts are organized to help customers move through the space with intent and become more comfortable in the process. Additionally, retail spaces are designed to encourage employees and customers to engage in conversations that enhance the shopping experience, whether through product recommendations or general education. To fully realize this goal, Cannabist staff undergo extensive training. Beyond the in-store experience, technology serves as a bridge across the retail ecosystem that enables a seamless shopping experience. Cannabist locations will continue to leverage existing solutions, such as Virtual.Care, the personal shopping platform, and a proprietary web-based application called Forage to help customers on their product discovery journey. Several dispensary locations in Utah, Arizona, Illinois, California, Massachusetts and Florida were transformed into Cannabist locations during 2021 with other company locations going through a similar transformation over the next twenty-four months. Columbia Care transformed all 14 Florida locations on December 8, 2021, bringing the total to 22 Cannabist locations nationwide.

Product Selection and Offerings

Columbia Care has continually been at the forefront of developing and introducing innovative and safe products to serve patients' unique needs. Columbia Care offers a competitive product portfolio in the jurisdictions in which it operates. Depending on the jurisdiction, Columbia Care offers a variety of product, including, without limitation, flower, concentrates, edibles and/or accessories. As shown below, the product mix varies between jurisdictions. As such, Columbia Care benefits from its diverse and expanding product portfolio.

Table 3: Columbia Care Sales Product Mix





Note:

(1) Allocation of net revenue for the three-months ended December 31, 2020 by product category for each market. Discounts are allocated to product categories based on gross revenue to arrive at the net revenue by product category. The Company's products have similar characteristics due to the same raw material ingredient (cannabis), similar nature of cultivation process, the type or class of customer and the regulatory nature of our industry. Revenues from transactions with no single external customer exceed 10% of the consolidated revenues. Revenue earned outside of the United States of America is immaterial for the years ended December 31, 2020 and 2019 and December 29, 2018. Long-lived assets located outside of the United States of America are immaterial as at December 31, 2020 and 2019 and December 29, 2018.

Columbia Care has begun to bring its family of branded products to all jurisdictions where it has manufacturing operations. Columbia Care's focus is to develop proprietary formulations and delivery technologies that provide patients and adult-use customers with high quality and differentiated products.

In 2016, Columbia Care announced the launch of its line of controlled-dose, solid-fill medicinal cannabinoid capsules. Formulated using the full range of active cannabinoid ingredients from plants grown in its cultivation facilities, these proprietary capsules offer a variety of concentrations in a more accessible and convenient delivery form to patients and customers.

Columbia Care introduced proprietary, controlled-dose, hard-pressed tablets in New York State. This method of administration was designed to provide long-lasting relief across a wide range of symptom and illness categories. The tablets are manufactured by segregating and formulating precise combinations of active compounds derived from targeted strains of medicinal cannabis plants. From the formulation of these tablets, Columbia Care introduced additional products to provide a spectrum of cannabinoid profiles to address the continuum of patient conditions, symptoms and consumer needs. This precisely engineered diversity of optimized cannabinoids includes the Company's patent pending Ceed line of medicinal cannabis products including TheraCeed tablets, EleCeed sublingual tinctures and ClaraCeed vaporization oil.

In 2020, the Company launched Seed & Strain, its first lifestyle cannabis brand. Available in a number of markets, products include flower, pre-rolls and concentrates. Other product and branded categories include but are not limited to confections, chocolate, drink mixes, condiments, kief, shatter, and wax/crumble. Columbia Care launched Classix in five markets simultaneously in October 2021, and will bring the brand to additional markets. Triple Seven has also been expanded from California to other operational markets, which will continue beyond 2021.

Columbia Care intends to continue launching national brands across its medical and adult-use markets in order to maintain the consistency and quality of products that all patients and customers have come to expect from the Company.

Product Pricing

Columbia Care's prices vary based on market conditions and product pricing from non-cannabis suppliers. As a result of different tastes, preferences and customer demographics across its core markets, average dispensary sales differ significantly from state to state.

Table 4: Columbia Care Average Dispensary Sales in the third quarter of 2021 (1)

Notes:

(1) Unaudited. Average dispensary sales calculated as net revenue in the fiscal quarter divided by the number of unique sale transactions in the fiscal quarter. Amounts expressed in U.S. dollars and excludes home delivery sales.

Caring for The Community We Serve

Having completed over 4 million sales transactions in multiple medicinal and adult-use cannabis markets since its inception, Columbia Care's team has accumulated significant experience in the treatment of large consumer and specialized patient populations, addressing a wide range of unique combination of qualifying conditions, symptoms and risks. Columbia Care has dedicated funding for research collaborations and initiatives with leading academic medical centers across the country to enhance patient care, inform the policy debate and empower healthcare and wellness professionals with data on best practices and safe and efficacious cannabinoid use. Through its public policy efforts, Columbia Care is also at the forefront of ensuring that social equity is a large part of legalization efforts across the United States.

Columbia Care has launched extensive patient care initiatives including utilizing anonymized patient data to facilitate product optimization and innovation on behalf of patient needs. These initiatives allow Columbia Care to develop products with specific patient symptoms and optimal patient outcomes in mind. As Columbia Care scales this proprietary patient database, it is expected to become an increasingly important aspect of Columbia Care's product development strategy as it invests in branded formulations and administration types that best respond to patient needs.

Columbia Care has distinguished itself by establishing research collaborations with renowned medical and research institutions globally. The collaborations are designed to improve product efficacy and assess the medical utility in its products while enhancing patient safety. Columbia Care has developed innovative and collaborative working relationships with a number of leading academic, patient advocacy, research and healthcare organizations as well as partnerships with private, academic, agricultural, policy, sustainability and economic programs at various institutions in the pursuit of expanding the body of scientific knowledge related to cannabis. This focus is one of the principal foundations of Columbia Care's corporate culture and has materially contributed to Columbia Care's current position as one of the most qualified and experienced operators in certain regulated markets in the U.S. Some of the collaboration partners include but are not limited to researchers affiliated with the following institutions: Mount Sinai Hospital, Columbia University, Arizona State University, Brandeis University, The Center for Discovery in New York, The Dana Farber Cancer Institute, New York University, Albert Einstein/Montefiore Medical Center, Stanford University and King's College London.

Banking and Processing

Columbia Care deposits funds from its dispensary operations into bank accounts established with various banking partners. The Company ensures that the banks used are fully aware of the nature of the business and industry in which the Company operates. Columbia Care currently accepts cash, cashless ATMs, and in certain locations the CNC card. The CNC card is the first store credit card in the cannabis industry, providing Columbia Care customers an alternative payment method in participating markets, increasing access to the Company's products. Payment methods currently vary by market.

Real Estate Strategy

In each market that Columbia Care enters, it spends a significant amount of time and resources selecting real estate in highly desirable locations with convenient access to healthcare communities and health and wellness providers and public transit, close proximity to major interstates and other traffic routes, ample parking, and the potential for significant foot traffic. Columbia Care targets retail spaces with a footprint of 2,500 to 7,500 square feet and cultivation/manufacturing facilities with a footprint of 20,000 to 65,000+ square feet, depending on the market and available real estate inventory. Columbia Care's practice is to secure leases with a base term of five to ten years with extension options for renewal terms of five years.

In-Store Pickup and Delivery

Columbia Care is currently associated with certain third-party platforms that offer pre-ordering for in-store pickup, online payment processing and home delivery services, where allowed by law. In all instances, patients are offered educational material and/or consultations regarding route of administration and dosing format.

Inventory Management

In the jurisdictions where Columbia Care is operational, it has comprehensive inventory management practices that are compliant with applicable state laws and regulations. Such practices ensure control over Columbia Care's cannabis and cannabis product inventory using seed to sale tracking software. See "*Columbia Care Compliance Program – Inventory and Security Policies*". Columbia Care's practices are designed to preclude contamination to ensure the safety and quality of the products dispensed.

Information Technology

Columbia Care strategically invests in information technology infrastructure. In fiscal year 2021, Columbia Care has initiated an effort to consolidate its operational systems, to provide national governance over business process and intelligence across merchandise planning, inventory management, production, costing, order management, accounting, reporting and analysis. These systems will provide the flexibility to support global and multi-channel expansion. Columbia Care has invested in information technology security platforms which are designed to protect patient and customer records and personal information in compliance with applicable laws and regulations.

Research and Development

Columbia Care has been tracking consented patient outcomes since 2013, and now has a research database of more than 23 million sales transactions across all sales locations. It is working with experts to analyze this anonymized data to devise new genetics and new products tailored to individual patient conditions and wellness states.

Columbia Care has operated a product development and process development center in its Rochester, New York cultivation and manufacturing location since 2014, and now also conducts these activities in San Diego, California and Denver, Colorado. At these facilities, unit-dose formulations of proprietary cannabinoid combinations are created, and methods of extraction and separation are scaled. Additional work to add automation to these efforts and commercial manufacturing is ongoing.

Employees

As of December 31, 2020, Columbia Care had 1,775 employees across its operating jurisdictions, up from 697 employees as of December 31, 2019 as a result of the TGS acquisition. As of November 17, 2021, Columbia Care had approximately 2,633 employees.

Columbia Care is committed to:

- Hiring, training and retaining an efficient, hard-working and qualified labor force that reflects the racial, cultural and ethnic composition of the communities it serves, including people of color, veterans, older workers and persons with physical and/or cognitive disabilities.
- Providing a work environment that is free of unlawful harassment, discrimination and retaliation: in furtherance of this commitment, Columbia Care strictly prohibits all forms of unlawful discrimination and harassment.
- Complying with all laws protecting qualified individuals with disabilities, as well as employees', independent contractors', vendors', unpaid interns' and volunteers' religious beliefs and observances.

Columbia Care is committed to all of the above without regard to race, ethnicity, religion, color, sex, gender, gender identity or expression, sexual orientation, national origin, ancestry, citizenship status, uniform service member and veteran status, marital status, pregnancy, age, protected medical condition, genetic information, disability, or any other protected status in accordance with all applicable federal, state, provincial and local laws.

Columbia Care employees are highly talented individuals who have educational achievements ranging from doctorates to masters to undergraduate degrees in a wide range of disciplines, as well as staff who have been trained on the job to uphold the highest standards as set by Columbia Care. It is currently a requirement that all of Columbia Care's employees pass background checks.

In addition, the safety of Columbia Care's employees is a priority and Columbia Care is committed to the prevention of illness and injury through the provision and maintenance of a healthy workplace. Columbia Care takes all reasonable steps to ensure staff are appropriately informed and trained to ensure the safety of themselves as well as others around them.

Columbia Care strives to provide an equal opportunity for all its employees to pursue career advancement and to consistently look within its organization for potential job candidates prior to posting employment offerings externally. Importantly, it does not embrace these policies solely out of altruism or an obligation under state requirements, but because it has learned from experience that the organization thrives and becomes more productive by maintaining a culture of inclusion where everyone feels valued and their individual contributions are appreciated and rewarded.

Competition

Columbia Care competes with other retail, manufacturing and cultivation license holders across the states in which it operates, as well as additional states, assuming and upon completion of pending acquisitions and receipt of licenses applied for or contemplated to be applied for in such additional states. Many of Columbia Care's competitors are smaller, local operators, as well as an increasing number of operators with a significant presence in multiple states that compete directly with Columbia Care for regional market share. In certain markets, a number of dispensaries and cultivators operate illegally and compete directly with Columbia Care. However, Columbia Care expects that law enforcement will increasingly respond to illicit market operators. In addition to physical dispensaries, Columbia Care also competes with third-party delivery services, which provide direct-to-consumer delivery services.

Further, as more U.S. jurisdictions pass legislation allowing adult-use of cannabis, Columbia Care expects an increased level of competition in the U.S. market. A number of publicly-traded companies are expanding operations to states that have decriminalized cannabis consumption. The increasingly competitive U.S. state markets may adversely affect the financial condition and operations of Columbia Care.

See "*United States Regulatory Environment*" for additional details as to the regulatory environment in which Columbia Care operates. See Item 1A —"Risk Factors" with respect to competition.

Intellectual Property

Columbia Care pursues patent and trademark protection around the world directed to its product and product candidates in an effort to establish intellectual property positions regarding cannabinoid products and devices. Patent prosecution is a lengthy process, during which the scope of the claims initially submitted for examination to the U.S. Patent and Trademark Office or foreign equivalents is often significantly narrowed by the time they are issued, if issued at all. Columbia Care expects this may be the case with respect to its pending patent applications referenced below.

Columbia Care's intellectual property strategy seeks to provide protection for its product and product candidates, through the prosecution of different types of patent and trademark applications in the U.S. and worldwide.

Columbia Care's patent portfolio covers a number of its products and product candidates. As of October 1, 2021, this portfolio included 1 issued U.S. patent and at least 22 pending patent applications owned by Columbia Care, filed in one or more of three jurisdictions, including Canada, Europe and the U.S., which have strong patent systems. The issued U.S. patent is projected to expire in 2037. The patent applications, if granted, are projected to expire between 2037 and 2041, excluding any extension of patent term that may be available in a particular country.

Our patent portfolio includes:

11 pending patent applications that protect our EleCeed line of products, including claims directed to compositions, methods of their manufacture, methods of their use, and devices comprising the compositions;

19 pending patent applications that protect our TheraCeed line of products, including claims directed to compositions, methods of their manufacture, methods of their use, kits for their use, devices comprising the compositions, and cartridges for use in devices;

9 pending patent applications that protect our ClaraCeed line of products, including claims directed to compositions, methods of their manufacture, methods of their use and administration, kits for their administration, and cartridges for use in devices; and

2 patent applications that protect our Seed & Strain DabTabs, including claims to compositions and methods of their use.

While the USPTO has granted many patents for cannabis-related technologies, none have yet been successfully enforced in court. Until U.S. courts definitively address the enforceability of cannabis-related patents, or cannabis products are legalized federally in the U.S., we cannot be certain that any of our patents can be effectively enforced against our competitors, even if their products infringe our patents, which could have a material adverse effect on our business.

The USPTO may deny federal trademark registration if the trademark application covers goods or services that violate federal law, including cannabis products. However, certain hemp-derived goods, including hemp-derived CBD products with less than 0.3% THC, as well as ancillary products or services, are considered lawful under federal law and may be eligible for federal trademark registration. Additionally, the USPTO may accept trademark applications for consulting services or goods that do not directly involve the cannabis flower, such as computer software, educational platforms, and brand apparel. Trademarks covering these lawful goods and services are generally enforceable in federal court. Cannabis goods and services that do not meet the USPTO standard for trademark registration may qualify for state trademark registration in states where such goods and services have been legalized, and are generally enforceable in state courts in those states.

No guarantee can be given that Columbia Care will be able to successfully assert its trademark rights, nor can the company guarantee that its trademark registrations will not be invalidated, circumvented or challenged. Any such invalidity, particularly with respect to a product name, or a successful intellectual property challenge or infringement proceeding against the company, could have a material adverse effect on Columbia Care's business.

In addition to patents and trademarks, Columbia Care relies upon unpatented trade secrets and know-how to develop and maintain its competitive position. Columbia Care has developed numerous proprietary technologies and processes. While actively exploring the patentability of these techniques and processes, Columbia Care relies on non- disclosure/confidentiality arrangements and trade secret protection.

Columbia Care seeks to protect its proprietary information, in part, by executing confidentiality agreements with third parties, its collaborators, and scientific advisors, and as well as non-disclosure and invention assignment agreements with its employees and consultants. The confidentiality agreements it enters into are designed to protect its proprietary information and the agreements or clauses requiring assignment of inventions to the Company are designed to grant it ownership of technologies that are developed through its relationship with the respective counterparty. Columbia Care cannot guarantee, however, that these agreements will afford it adequate protection of its intellectual property and proprietary information rights.

Trade secrets and know-how can be difficult to protect. In particular, some of Columbia Care's trade secrets and know-how for which it decides to not pursue additional patent protection may, over time, be disseminated within the industry through independent development and public presentations describing the methodology.

UNITED STATES REGULATORY ENVIRONMENT

Federal Regulatory Environment

Under U.S. federal law, marijuana is currently classified as a Schedule I drug. The Controlled Substances Act (21 U.S.C. § 811) (the "**CSA**") classifies drugs in five different schedules. As a Schedule I drug, the federal Drug Enforcement Agency ("**DEA**") considers marijuana to have a high potential for abuse, no currently accepted medical use in treatment in the United States, and a lack of accepted safety for use of the drug under medical supervision. Following the passage of the Agriculture Improvement Act of 2018 (popularly known as the "**2018 Farm Bill**"), cannabis with a tetrahydrocannabinol ("**THC**") content below 0.3% is classified as hemp and has been removed from the CSA. Lawfully cultivated hemp and products derived from it may now be sold into commerce and transported across state lines. The 2018 Farm Bill explicitly preserves the authority of the Food and Drug Administration ("**FDA**") to regulate certain products containing cannabis or cannabis-derived compounds such as CBD under the federal Food, Drug and Cosmetic Act ("**FD&C Act**") and Section 351 of the Public Health Service Act. In conjunction with the enactment of the 2018 Farm Bill, the FDA released a statement about the regulatory status of CBD, noting the FDA's position that it is unlawful to introduce food containing added CBD into interstate commerce, or to market CBD products as, or in, dietary supplements, regardless of whether the substances are hemp-derived. Despite its position, the FDA's enforcement actions against companies manufacturing CBD products has primarily been limited to the issuance of warning letters to companies whose products have made prohibited, misleading, and unapproved drug claims. Various states have also enacted state-specific laws pertaining to the handling, manufacturing, labeling, and sale of CBD and other hemp consumable products. While some states explicitly authorize and regulate the production and sale of hemp-derived CBD consumable products or otherwise provide legal protection for authorized individuals to engage in such activities, other states restrict the sale of CBD products or prohibit such products outright.

Under federal law, cannabis having a concentration of THC greater than 0.3% is marijuana. The scheduling of marijuana as a Schedule I drug is inconsistent with what Columbia Care believes to be many valuable medical uses for marijuana accepted by physicians, researchers, patients, and others. As evidence of this, the federal Food and Drug Administration ("**FDA**") on June 25, 2018 approved Epidiolex (CBD) oral solution for the treatment of seizures associated with two rare and severe forms of epilepsy, Lennox-Gastaut syndrome and Dravet syndrome, in patients two years of age and older. This is the first FDA-approved drug that contains a purified drug substance derived from marijuana. In this case, the substance is cannabidiol, or CBD, a cannabinoid found in both hemp and marijuana, which does not contain the intoxication properties of THC, the primary psychoactive component of marijuana. Columbia Care believes the CSA categorization as a Schedule I drug is not reflective of the medicinal properties of marijuana or the public perception thereof, and numerous studies show cannabis is not able to be abused in the same way as other Schedule I drugs, has medicinal properties, and can be safely administered. Moreover, while certain published studies show that marijuana may be less harmful than alcohol, alcohol is not classified under the CSA. This disparity may reflect the comparative stigma associated with marijuana that factors into scheduling decisions by the DEA.

The federal position is also not necessarily consistent with democratic approval of marijuana at the state government level in the United States. Thirty-seven (37) states, the District of Columbia, Guam, Puerto Rico, the Northern Mariana Islands and the U.S. Virgin Islands have passed laws broadly legalizing marijuana for medicinal use by eligible patients. In the District of Columbia, the Northern Mariana Islands, Guam and 18 of these states – Alaska, Arizona, California, Colorado, Connecticut, Illinois, Maine, Massachusetts, Michigan, Montana, Nevada, New Jersey, New Mexico, New York, Oregon, Vermont, Virginia and Washington – marijuana is legal for adult-use regardless of medical condition, although not all of those jurisdictions have fully implemented their legalization programs. Voters in South Dakota also approved a constitutional amendment to legalize adult-use marijuana in the state, but Governor Kristi Noem sued to challenge the amendment for violating the state constitution. A circuit court judge struck down the law, and the state Supreme Court upheld that ruling. The large increase in recent statewide referenda and legislation that liberalizes marijuana laws is consistent with public opinion. As more and more states legalized medical and/or adult-use marijuana, the federal government attempted to provide clarity on the incongruity between federal prohibition under the CSA and these state-legal regulatory frameworks. Until 2018, the federal government provided guidance to federal law enforcement agencies and banking institutions through a series of United States Department of Justice **(**"**DOJ**") memoranda. One example such memorandum was drafted by former Deputy Attorney General James Cole in 2013 (the "**Cole Memo**").

The Cole Memo offered guidance to federal enforcement agencies as to how to prioritize civil enforcement, criminal investigations and prosecutions regarding marijuana in all states. The Cole Memo put forth eight prosecution priorities:

1. Preventing the distribution of marijuana to minors;
2. Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels;
3. Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
4. Preventing the state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;

5. Preventing the violence and the use of firearms in the cultivation and distribution of marijuana;
6. Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
7. Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
8. Preventing marijuana possession or use on federal property.

On January 4, 2018, former United States Attorney General Jefferson Sessions rescinded the Cole Memo by issuing a new memorandum to all United States Attorneys (the "**Sessions Memo**"). Rather than establish national enforcement priorities particular to marijuana-related crimes in jurisdictions where certain marijuana activity was legal under state law, the Sessions Memo instructs that "[i]n deciding which marijuana activities to prosecute... with the DOJ's finite resources, prosecutors should follow the well-established principles that govern all federal prosecutions." Namely, these include the seriousness of the offense, history of criminal activity, deterrent effect of prosecution, the interests of victims, and other principles.

The former Attorneys General who succeeded former Attorney General Sessions following his resignation did not provide a clear policy directive for the United States as it pertains to state-legal marijuana-related activities. President Joseph R. Biden was sworn in as the 46th United States President on January 20, 2021. President Biden nominated Merrick Garland to serve as Attorney General in his administration. It is not yet known whether the Department of Justice under President Biden and Attorney General Garland, confirmed on March 10, 2021, will re-adopt the Cole Memorandum or announce a substantive marijuana enforcement policy. Justice Garland stated at a confirmation hearing before the United States Senate that "It does not seem to me a useful use of limited resources that we have, to be pursuing prosecutions in states that have legalized and that are regulating the use of marijuana, either medically or otherwise. I don't think that's a useful use."[1]

Nonetheless, there is no guarantee that state laws legalizing and regulating the sale and use of marijuana will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends the CSA with respect to marijuana (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law. Currently, in the absence of uniform federal guidance, as had been established by the Cole Memo, enforcement priorities are determined by respective United States Attorneys.

In the absence of a uniform federal policy, as had been established by the Cole Memo, numerous United States Attorneys with state-legal marijuana programs within their jurisdictions have announced enforcement priorities for their respective offices. For instance, Andrew Lelling, the former United States Attorney for the District of Massachusetts, stated that while his office would not immunize any businesses from federal prosecution, he anticipated focusing the office's marijuana enforcement efforts on: (1) overproduction; (2) targeted sales to minors; and (3) organized crime and interstate transportation of drug proceeds.

Due to the CSA categorization of marijuana as a Schedule I drug, federal law also makes it illegal for financial institutions that depend on the Federal Reserve's money transfer system to take any proceeds from marijuana sales as deposits. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses under the United States Currency and Foreign Transactions Reporting Act of 1970 (the "**Bank Secrecy Act**"). Therefore, under the Bank Secrecy Act, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be charged with money laundering or conspiracy.

1 John Schroyer, (2021 February 22) Attorney general nominee Garland signals friendlier marijuana stance, *available at* https://mjbizdaily.com/attorney-general-nominee-merrick-garland-signals-friendlier-marijuana-stance/

While there has been no change in U.S. federal banking laws to accommodate businesses in the large and increasing number of U.S. states that have legalized medical and/or adult-use marijuana, the Department of the Treasury Financial Crimes Enforcement Network ("**FinCEN**"), in 2014, issued guidance to prosecutors of money laundering and other financial crimes (the "**FinCEN Guidance**"). The FinCEN Guidance advised prosecutors not to focus their enforcement efforts on banks and other financial institutions that serve marijuana-related businesses so long as that business is legal in their state and none of the federal enforcement priorities referenced in the Cole Memo are being violated (such as keeping marijuana away from children and out of the hands of organized crime). The FinCEN Guidance also clarifies how financial institutions can provide services to marijuana-related businesses consistent with their Bank Secrecy Act obligations, including thorough customer due diligence, but makes it clear that they are doing so at their own risk. The customer due diligence steps include:

1. Verifying with the appropriate state authorities whether the business is duly licensed and registered;
2. Reviewing the license application (and related documentation) submitted by the business for obtaining a state license to operate its marijuana-related business;
3. Requesting from state licensing and enforcement authorities available information about the business and related parties;
4. Developing an understanding of the normal and expected activity for the business, including the types of products to be sold and the type of customers to be served (e.g., medical versus adult-use customers);
5. Ongoing monitoring of publicly available sources for adverse information about the business and related parties;
6. Ongoing monitoring for suspicious activity, including for any of the red flags described in this guidance; and
7. Refreshing information obtained as part of customer due diligence on a periodic basis and commensurate with the risk.

With respect to information regarding state licensure obtained in connection with such customer due diligence, a financial institution may reasonably rely on the accuracy of information provided by state licensing authorities, where states make such information available.

Because most banks and other financial institutions are unwilling to provide any banking or financial services to marijuana businesses, these businesses can be forced into becoming "cash-only" businesses. While the FinCEN Guidance decreased some risk for banks and financial institutions considering serving the industry, in practice it has not increased banks' willingness to provide services to marijuana businesses. This is because, as described above, the current law does not guarantee banks immunity from prosecution, and it also requires banks and other financial institutions to undertake time-consuming and costly due diligence on each marijuana business they accept as a customer. In fact, some banks that had been servicing marijuana businesses have been closing the marijuana businesses' accounts and are now refusing to open accounts for new marijuana businesses due to cost, risk, or both.

The few state-chartered banks and/or credit unions that have agreed to work with marijuana businesses are limiting those accounts to small percentages of their total deposits to avoid creating a liquidity risk. Since, theoretically, the federal government could change the banking laws as it relates to marijuana businesses at any time and without notice, these credit unions must keep sufficient cash on hand to be able to return the full value of all deposits from marijuana businesses in a single day, while also keeping sufficient liquid capital on hand to serve their other customers. Those state-chartered banks and credit unions that do have customers in the marijuana industry charge marijuana businesses high fees to pass on the added cost of ensuring compliance with the FinCEN Guidance.

Unlike the Cole Memo, however, the FinCEN Guidance from 2014 has not been rescinded. The former Secretary of the U.S. Department of the Treasury, Stephen Mnuchin, publicly stated that the Department was not informed of any plans to rescind the Cole Memo.

Despite the rescission of the Cole Memo in 2018, Columbia Care continues to do the following towards ensuring compliance with the guidance provided by the Cole Memo, the FinCEN Guidance, and other best industry practices:

Columbia Care and its subsidiaries operate in compliance with licensing requirements that are set forth with regards to cannabis operation by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions.

Columbia Care's cannabis-related activities adhere to the scope of the licensing obtained – for example, in the states where only medical cannabis is permitted, products are sold only to patients who hold the necessary documentation to permit the possession of the cannabis.

Columbia Care performs due diligence on contractors or anyone provided access to secure areas of its facilities to prevent cannabis products from being distributed to minors.

Columbia Care works to ensure that the licensed operators have an adequate inventory tracking system and adequate procedures in place so that their compliance system can track inventory effectively. This is done so that there is no diversion of cannabis or cannabis products into states where cannabis is not permitted by state law, or across state lines in general.

Columbia Care conducts background checks as required by applicable state law.

Columbia Care conducts reviews of activities of the cannabis businesses, the premises on which they operate, and the policies and procedures that are related to possession of cannabis or cannabis products outside of its licensed premises (including the cases where such possession is permitted by regulation – e.g., transfer of products between licensed premises). These reviews are completed to ensure that licensed operators do not possess or use cannabis on federal property or engage in manufacturing or cultivation of cannabis on federal lands.

Columbia Care's product packaging complies with applicable regulations and contains necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving.

Moreover, in recent years, certain temporary federal legislative enactments that protect the medical marijuana and hemp industries have also been in effect. For instance, certain marijuana businesses receive a measure of protection from federal prosecution by operation of temporary appropriations measures that have been enacted into law as amendments (or "riders") to federal spending bills passed by Congress and signed by both Presidents Obama and Trump. For instance, in the Appropriations Act of 2015, Congress included a budget "rider" that prohibits DOJ from expending any funds to enforce any law that interferes with a state's implementation of its own medical marijuana laws. The rider is known as the "**Rohrabacher-Farr Amendment**" after its original lead sponsors.

Originally, a Republican-controlled House and Democratic-controlled Senate passed the Rohrabacher-Farr Amendment. The bill was a bipartisan appropriations measure that looks to prohibit the DEA from spending funds to arrest state-licensed medical marijuana patients and providers. Subsequently, the amendment has been included in multiple budgets passed by a Republican-controlled Congress. While the Rohrabacher-Farr Amendment has been included in successive appropriations legislation or resolutions since 2015, its inclusion or non-inclusion is subject to political change.

The Rohrabacher-Farr Amendment was renewed most recently in the Omnibus Appropriations Act of 2021, which funds the agencies of the federal government through September 30, 2021. On September 30, 2021, the Amendment was extended through the signing of a continuing resolution, effective through February 18, 2021. Notably, Rohrabacher-Farr has applied only to medical marijuana programs and has not provided the same protections to enforcement against adult-use activities.

There is a growing consensus among marijuana businesses and numerous congressmen and congresswomen that guidance is not law and temporary legislation is an inappropriate way to protect lawful medical marijuana businesses. Numerous bills have been introduced in Congress in recent years to decriminalize aspects of state-legal marijuana trades. This has led to a bipartisan Congressional Marijuana Working Group in Congress.

Additionally, in 2020, the U.S. House of Representatives passed the Secure and Fair Enforcement Banking Act (the "**SAFE Banking Act**"), which had more than 200 cosponsors and would prevent federal banking regulators from taking adverse actions against financial institutions solely due to an institution's provision of financial services to state-legal marijuana businesses. The Act ultimately stalled and was not taken up for a vote by the United States Senate in the 2020 legislative session. On March 18, 2021, the SAFE Banking Act was reintroduced in the House of Representatives. On March 23, 2021, the bill was reintroduced in the Senate as well. On April 19, 2021 the House passed the SAFE Banking Act by a vote of 321-101. In an attempt to help get the SAFE Banking Act passed in the Senate, Representative Ed Perlmutter proposed that it be included as an amendment to the National Defense Authorization Act (the "**NDAA**"). The Act was added to the NDAA by a voice vote on September 21, 2021, and the NDAA passed the House in a 316-113 vote on September 23, 2021. Despite its continued success in the House, the Act was removed from the version of the NDAA passed by the Senate on December 7, 2021.

An additional challenge to marijuana-related businesses is that the provisions of the Internal Revenue Code, Section 280E, are being applied by the IRS to businesses operating in the medical and adult-use marijuana industry. Section 280E of the Internal Revenue Code prohibits marijuana businesses from deducting their ordinary and necessary business expenses, forcing them to pay higher effective federal tax rates than similar companies in other industries. The effective tax rate on a marijuana business depends on how large its ratio of non-deductible expenses is to its total revenues. Therefore, businesses in the legal cannabis industry may be less profitable than they would otherwise be.

On December 4, 2020, the House of Representatives passed the Marijuana Opportunity Reinvestment and Expungement Act of 2019 (the "**MORE Act**"). The MORE Act would provide for the removal of marijuana from the list of controlled substances in the CSA and other federal legislation. It would also end the applicability of Section 280E to marijuana businesses, but would impose a 5% federal excise tax. The MORE Act was not passed by the Senate prior to the end of the 116th Congress, but an updated version was subsequently reintroduced in the House of Representatives on May 28, 2021. On September 30, 2021, the House Judiciary Committee voted to advance the MORE Act once again in a first step towards passage in the full House. Before it could become law, the MORE Act would need to be passed by the House of Representatives and Senate and then signed into law by the president.

Following the federal elections of 2020, the Democratic Party won control of both U.S. House of Representatives and the U.S. Senate, which has led some observers to predict that Congress will pass legislation that legalizes or decriminalizes marijuana or removes certain restrictions on financial services in the industry. Notwithstanding the foregoing, there is no guarantee that either the SAFE Banking Act or the MORE Act will become law in their current form, if at all. There also can be no assurance that the Biden administration will not change the stated policies or practices of the Department of Justice or individual United States Attorneys regarding the low-priority enforcement of U.S. federal laws that conflict with state laws. The Biden administration and the Congress could decide to enforce U.S. federal laws vigorously.

State Regulatory Environment

The following sections describe the legal and regulatory landscape in the states in which Columbia Care operates. While Columbia Care works to ensure that its operations comply with applicable state laws, regulations, and licensing requirements, for the reasons described above and the risks further described under the heading "*Risk Factors*", there are significant risks associated with the business of Columbia Care. Readers are strongly encouraged to carefully read and consider all of the risk factors contained under the heading "*Risk Factors*" below.

Except as described above and elsewhere in this registration statement, Columbia Care is in compliance with applicable law and has not received any citations or notices of violation which may have an impact on Columbia Care's licenses, business activities or operations.

ARIZONA

Arizona Regulatory Landscape

In 2010, Arizona passed Ballot Proposition 203, which amended Title 36 to the Arizona Revised Statutes. This amendment added Chapter 28.1, titled the Arizona Medical Marijuana Act (the "**AMMA**"). The AMMA is codified in Arizona Revised Statutes § 36-2801 *et. seq*. The AMMA also appointed the Arizona Department of Health Services ("**ADHS**") as the regulator for the program and authorized ADHS to promulgate, adopt and enforce regulations for the AMMA. These ADHS regulations are embodied in the Arizona Administrative Code Title 9 Chapter 17 (the "**Medical Rules**"). ARS § 36-2801(12) defines a "'nonprofit medical marijuana dispensary'" as a not-for-profit entity that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, supplies, sells or dispenses marijuana or related supplies and educational materials to cardholders.

The ADHS has established the medical marijuana program, which includes a vertically integrated license, meaning if allocated a Medical Marijuana Dispensary Registration Certificate (a "**Certificate**"), entities are authorized to dispense and cultivate medical cannabis. Each Certificate allows the holding entity to operate one on-site cultivation facility, and one off-site cultivation facility which can be located anywhere within the State of Arizona. An entity holding a Certificate is required to file an application to renew with the ADHS on an annual basis, which must also include audited annual financial statements. While a Certificate may not be sold, transferred or otherwise conveyed, Certificate holders typically contract with third parties to provide various services related to the ongoing operation, maintenance, and governance of its dispensary and/or cultivation facility so long as such contracts do not violate the requirements of the AMMA or the medical marijuana program.

The ADHS had until April 2012 to establish a registration application system for patients and nonprofit marijuana dispensaries, as well as a web-based verification platform for use by law officials and dispensaries to verify a patient's status as such. It also specified patients' rights, qualifying medical conditions, and allowed out-of-state medical marijuana patients to maintain their patient status (though not to purchase cannabis). On December 6, 2012, Arizona's first licensed medical marijuana dispensary opened in Glendale. Arizona recently enacted SB 1494, which, among other things will require testing of medical marijuana and require biannual renewal of agent licensure.

To qualify to use medical marijuana under the AMMA, a patient is required to have a debilitating medical condition. Valid medical conditions include HIV, cancer, glaucoma, immune deficiency syndrome, Hepatitis C, Crohn's disease, agitation of Alzheimer's disease, ALS, cachexia/wasting syndrome, muscle spasms, nausea, seizures, severe and chronic pain or another chronic or debilitating condition.

Arizona S.B. 1494 went into effect in August 2019. The bill authorized the ADHS to adopt rules for inspecting medical marijuana dispensaries and created an independent testing regime for marijuana cultivated by a medical marijuana dispensary. Beginning in November 2020, before marijuana is sold, it must be tested for unsafe levels of microbial contamination, heavy metals, pesticides, herbicides, fungicides, growth regulators and residual solvents.

S.B. 1494 also authorized civil penalties of up to $1,000 per violation (not to exceed $5,000 in a 30-day period) on medical marijuana dispensaries. The bill makes patient ID cards and medical marijuana dispensary registration certificates expire every two years rather than every year. Regulations implementing S.B. 1494 went into effect on August 27, 2019. In February 2020, the Department began an additional round of rulemaking designed to improve the regulations regarding independent testing.

In 2020, Arizona passed Ballot Proposition 207, which amended Title 36 to the Arizona Revised Statutes. This amendment added Chapter 28.2, titled the Smart and Safe Arizona Act (the "**SSAA**"). The SSAA is codified in Arizona Revised Statutes § 36-2850 *et. seq.* The SSAA appointed ADHS as the regulator for the program and required ADHS to promulgate, adopt, and enforce regulations for the SSAA. ADHS has published draft rules to administer the Adult- use Marijuana Program to be embodied in the Arizona Administrative Code Title 9 Chapter 18 (the "**Adult-use Rules;**" together with the Medical Rules, the "**Rules**"). These Adult-use Rules became effective on January 15, 2021. ARS § 36-2850 defines "marijuana establishment" as an entity licensed by the department to operate all of the following: a single retail location at which the licensee may sell marijuana and marijuana products to consumers, cultivate marijuana and manufacture marijuana products; a single off-site cultivation location at which the licensee may cultivate marijuana, process marijuana and manufacture marijuana products, but from which marijuana and marijuana products may not be transferred or sold to consumers; and a single off-site cultivation location at which the licensee may cultivate marijuana, process marijuana and manufacture marijuana products, but from which marijuana and marijuana products may not be transferred or sold to consumers.

Columbia Care (through its subsidiaries in the State of Arizona) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of Arizona.

Arizona Medical Marijuana Licensing Requirements

In order for an applicant to receive a Certificate, it must: (i) fill out an application on the form prescribed by ADHS, (ii) submit the applicant's articles of incorporation and by-laws, (iii) submit fingerprints for each principal officer or board member of the applicant for a background check to exclude felonies, (iv) submit a business plan and policies and procedures for inventory control, security, patient education, and patient recordkeeping that are consistent with the AMMA and the Medical Rules to ensure that the dispensary will operate in compliance, and (v) designate an Arizona licensed physician as the Medical Director for the dispensary. Certificates are renewed annually so long as the dispensary is in good standing with ADHS, pays the renewal fee, and submits an independent third-party financial audit.

Once an applicant has been issued a Certificate, they are allowed to establish one physical retail dispensary location, one cultivation location which is co-located at the dispensary's retail site (if allowed by local zoning) and one additional off-site cultivation location. None of these sites can be operational, however, until the dispensary receives an approval to operate from ADHS for the applicable site. This approval to operate requires: (i) an application on the ADHS form, (ii) demonstration of compliance with local zoning regulations, (iii) a site plan and floor plan for the applicable property, and (iv) an in-person inspection by ADHS of the applicable location to ensure compliance with the Medical Rules and consistency with the dispensary's applicable policies and procedures.

Arizona Adult-use Marijuana Licensing Requirements

In order for an applicant to receive a marijuana facility agent license, it must submit to ADHS (i) the personal identification information prescribed by ADHS including a background check and fingerprints and (ii) the applicable fee as prescribed in the Adult-use Rules. The license must be renewed every two years. A licensee may seek renewal by submitting to ADHS, at least thirty calendar days before the license expiration, (a) information on the license, (b) updated personal information including a criminal records check, and (c) the applicable fee as prescribed in the Adult- use Rules.

ADHS may issue one marijuana establishment license for every 10 pharmacies registered under § 32-1929 and no more than two licenses per county that contains no registered medical marijuana dispensaries, or one license per county that contains one registered medical marijuana dispensary. In the event that more complete and compliant applications are received than ADHS may issue, ADHS will issue the licenses according to criteria prescribed in the Adult-use Rules. The initial round of license applications were due March 9, 2021.

In order for an application to be considered complete and compliant such that an applicant may be considered for a marijuana establishment license, the applicant must (i) pay the appropriate non-refundable fee prescribed by ADHS, (ii) submit the ADHS-prescribed application, (iii) documentation of: facility agent licenses for principal officers and board members, good standing with the Arizona Corporation Commission, zoning compliance, ownership of or permission to use the physical address, and sufficient funds.

Applicants that have a Certificate issued under the Medical Rules, the applicant may apply for a marijuana establishment license by submitting (i) an attestation from each principal officer and board member approving the application, (ii) the license number on the applicant's dispensary registration certificate, (iii) whether the applicant wants to transfer the cultivation site under the registration certificate to the marijuana license, and (iv) the applicable fee.

A holder of a marijuana establishment license may apply for approval to operate a marijuana establishment by submitting, within 18 months after the marijuana establishment license was issued, the following: (i) an application on the form prescribed by ADHS, (ii) documentation of local permission to use the property as a marijuana establishment (such as a certificate of occupancy, special use permit, or a conditional use permit), (iii) a list of activities the establishment is requesting, including cultivation, manufacturing, or preparation of edible products, (iv) a license of the location as a food establishment if preparing edible products, (v) a site plan, and (vi) a floor plan.

Marijuana establishments that received their license through the process for applicants with Certificates may begin operating without submitting the above if the entity holding the license (i) received approval to operate under the Medical Rules and (ii) is operating and available to dispense medical marijuana in accordance with the Medical Rules.

Marijuana establishment licenses must be renewed every two years.

Arizona Licenses

The table below describes the Certificates and approvals held by Salubrious Wellness Clinic, Inc. and 203 Organix, LLC.

Holding Entity	Permit/License	Registration Number	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Salubrious Wellness Clinic, Inc.	Medical Dispensary Registration Certificate	00000097DCGK00454998	Tempe, AZ	08/07/22	The certificate allows the holder to cultivate, dispense, produce, process, extract, distribute and sell at retail and wholesale medical marijuana from the dispensary and one offsite cultivation facility.
Salubrious Wellness Clinic, Inc.	Approval to Operate cultivation at offsite location	00000097DCGK00454998	Chino Valley, AZ	08/07/22	Approval to operate cultivation offsite location
Salubrious Wellness Clinic, Inc.	Adult-Use Dispensary Registration Certificate	00000071ESFP14031510	Tempe, AZ	01/21/23	Approval to dispense adult-use cannabis
203 Organix, LLC	Medical Dispensary Registration Certificate	00000074DCGW00540313	Prescott, AZ	08/07/22	The certificate allows the holder to cultivate, dispense, produce, process, extract, distribute and sell at retail and wholesale medical marijuana from the dispensary and one offsite cultivation facility.
203 Organix, LLC	Adult-Use Dispensary Registration Certificate	00000070ESCO78837103	Prescott, AZ	01/21/23	Approval to dispense adult-use cannabis

With the passage of S.B. 1494, certificates are renewed biennially. Before expiry, licensees are required to submit a renewal application. While renewals are granted annually, there is no ultimate expiry after which no renewals are permitted. Additionally, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable Certificate,

Columbia Care would expect Salubrious Wellness Clinic, Inc. and 203 Organix, LLC to receive the applicable renewed Certificate in the ordinary course of business. 203 Organix's Approval to Operate a cultivation facility in Wickenburg is not in use and is therefore not considered a material contract of Columbia Care.

Arizona Security Requirements for Dispensary Facilities

Any dispensary facility (both retail and cultivation) or marijuana establishment must abide by the following security requirements: (i) ensure that access to the facilities is limited to authorized agents of the dispensary who are in possession of a dispensary agent identification card, and (ii) equip the facility with: (a) intrusion alarms and surveillance equipment, (b) exterior and interior lighting to facilitate surveillance, (c) at least one 19-inch monitor for surveillance and a video capable of printing a high resolution still image, (d) high resolution video cameras at all points of sale, entrances, exits, and limited access areas, both in and around the building, (e) 30 days' video storage, (f) failure notifications and battery backups for the security system, and (g) panic buttons inside each building.

Arizona Dispensing Requirements

In order to dispense medical marijuana to a qualifying patient or designated caregiver, a licensed dispensary is required to (1) verify the qualifying patient's or designated caregiver's identity, (2) offer appropriate patient education or support materials, (3) make available testing results related to the product sought, if requested by the qualifying patient or designated caregiver, (4) enter the qualifying patient's or designated caregiver's registry identification number on the identification card presented into the medical marijuana electronic verification system, (5) verify the validity of the identification card presented, (6) verify that the amount of marijuana product to be dispensed would not cause the qualifying patient to exceed the regulatory limit, and (7) enter information into the medical marijuana electronic verification system regarding the amount of medical marijuana dispensed, whether it was dispensed directly to the qualifying patient or to a caregiver, the date and time of dispensing, the registry identification number of the dispensary agent, and the dispensary's registry identification number.

Arizona Storage Requirements

Any dispensary facility (both retail and cultivation) or marijuana establishment must abide by the following requirements for the storage of product: (i) product must be stored in an area that is separate from areas used to store toxic and flammable materials, (ii) product must be stored in a manner that is clean and sanitary, (iii) product must be protected from flies, dust, dirt, and any other contamination, and (iv) surfaces and objects used in the handling and storage of product must be cleaned daily.

Additionally, the Rules establish strict inventory protocols for tracking product from "seed to sale," which requires product to be traceable to the original plants used to grow the cannabis used in the product. These requirements include (1) daily updated inventory amounts of marijuana products, (2) acquisitions of medical marijuana from qualifying patients or designated caregivers, (3) acquisitions of medical marijuana from other dispensaries, (4) information related to batches of marijuana cultivated by the licensee, (5) information regarding provision of medical marijuana to other dispensaries, (6) information relating to required testing of marijuana products, and (7) the disposition of marijuana products determined not to be dispensed to a patient or to be included in manufacturing a marijuana product. Licensed dispensaries are additionally required to keep records regarding qualifying patients that: (1) include dated entries from registered dispensary agents regarding dispensing, (2) are safeguarded against unauthorized access and tampering, (3) include documentation of requests by qualifying patients and caregivers regarding marijuana products and educational materials.

Arizona Transportation Requirements

Dispensaries may transport medical cannabis and marijuana establishments may transport adult-use cannabis between their own sites or between their sites and another dispensary's site and must comply with the following Rules: (i) prior to transportation, the dispensary agent must complete a trip plan showing: (a) the name of the dispensary agent in charge of transporting the cannabis, (b) the date and start time of the trip, (c) a description of the cannabis, cannabis plants, or cannabis paraphernalia being transported; and (d) the anticipated route of transportation, including any anticipated stops during the trip; (ii) during transport the dispensary agent shall: (a) carry a copy of the trip plan at all times, (b) use a vehicle with no medical cannabis identification, (c) have a means of communicating with the dispensary, and (d) ensure that no cannabis is visible, and (iii) dispensaries must maintain trip plan records for at least two years.

Arizona Adult-use Operating Requirements

Marijuana establishments must (i) ensure that the retail location is operating and available at least 30 hours a week between the hours of 7:00 a.m. and 10:00 p.m. within 18 months after receiving the marijuana establishment license, (ii) develop, implement and regularly review and update, no less than once every 12 months, policies related to job descriptions and employment contracts, training of facility agents, and inventory control, (iii) ensure all principal officers, board members, employees, and volunteers maintain valid marijuana facility agent licenses and keep them in their possession when working with marijuana, (iv) inform ADHS within 10 days when a marijuana facility agent is no longer employed or volunteering with the marijuana establishment, (v) document loss or theft and (vi) post the marijuana establishment's approval to operate, the license, hours of operation, and the applicable ADHS-prescribed warning signs.

Marijuana products to be sold at a marijuana establishment's retail location must (i) comply with the packaging and labeling requirements in the SSAA, (ii) be labeled with the appropriate product information and warnings as prescribed by ADHS, and (iii) be placed in child-resistant packaging.

Prior to selling or transferring any marijuana product to a consumer, the marijuana facility agent must (i) verify the consumer's age, (ii) make available the results of testing of the marijuana if requested, and (iii) ensure that the amount to be sold or transferred does not exceed one ounce, with not more than 5 grams being in the form of a marijuana concentrate.

A marijuana establishment that prepares, sells, or transfers marijuana-infused edible food products shall (i) obtain a license or permit as a food establishment under 9 A.A.C. 8, Article 1, (ii) ensure that the products are prepared according to the applicable requirements in 9 A.A.C. 8, Article 1, whether prepared on-site or by another marijuana establishment, and (iii) ensure that any sold products (a) are sold in accordance with 9 A.A.C. 8, Article 1, (b) contain no more total THC than 10 mg per serving or 100 mg per package, and (c) if packaged as more than one serving, are scored or delineated into standard serving size and consistent in THC disbursement.

ADHS Inspections and Enforcement

ADHS may inspect a medical facility at any time upon five (5) days' notice to the dispensary. However, if someone has alleged that the dispensary is not in compliance with the AMMA or the Medical Rules, ADHS may conduct an unannounced inspection. ADHS will provide written notice to the dispensary of any violations found during any inspection and the dispensary then has 20 working days to take corrective action and notify ADHS.

ADHS must revoke a Certificate if a dispensary: (i) operates before obtaining approval to operate a dispensary from ADHS, (ii) dispenses, delivers, or otherwise transfers cannabis to an entity other than another licensed dispensary, a qualifying patient with a valid registry identification card, a designated caregiver with a valid registry identification card, or a laboratory with a valid laboratory registration certificate, (iii) acquires usable cannabis or mature cannabis plants from any entity other than another licensed dispensary, a qualifying patient with a valid registry identification card, or a designated caregiver with a valid registry identification card, or (iv) if a principal officer or board member has been convicted of an excluded felony offense.

Furthermore, ADHS may revoke a Certificate if a dispensary does not: (i) comply with the requirements of AMMA or the Medical Rules, (ii) implement the policies and procedures or comply with the statements provided to ADHS with the dispensary's application.

ADHS may inspect an adult-use facility at any time during regular hours of operation. ADHS must make at least one unannounced visit annually to each licensed facility.

ADHS may suspend or revoke a marijuana establishment license if (i) the marijuana establishment (a) provides false or misleading information to ADHS, (b) operates before obtaining approval to operate from ADHS, (c) diverts marijuana to an individual or entity not allowed to possess marijuana, or (d) acquires marijuana from an individual or entity not allowed to possess marijuana; (ii) a principal officer or board member (a) has been convicted of an excluded felony offense, or (b) provides false or misleading information to ADHS; (iii) the marijuana establishment does not (a) comply with the requirements in the SSAA or the Adult-use Rules, or (b) implement the policies or procedures or comply with the statements provided to ADHS in the marijuana establishment's application.

CALIFORNIA

California Regulatory Landscape

In 1996, California was the first state to legalize medical marijuana through Proposition 215, the Compassionate Use Act of 1996. This legalized the use, possession and cultivation of medical marijuana by patients with a physician recommendation for treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief.

In 2003, Senate Bill 420 was signed into law establishing an optional identification card system for medical marijuana patients.

In September 2015, the California legislature passed three bills collectively known as the Medical Cannabis Regulation and Safety Act ("**MCRSA**"). The MCRSA established a licensing and regulatory framework for medical marijuana businesses in California. The system created multiple license types for dispensaries, infused products manufacturers, cultivation facilities, testing laboratories, transportation companies, and distributors. Edible infused product manufacturers would require either volatile solvent or non-volatile solvent manufacturing licenses depending on their specific extraction methodology. Multiple agencies would oversee different aspects of the program and businesses would require a state license and local approval to operate. However, in November 2016, voters in California overwhelmingly passed Proposition 64, the Adult Use of Marijuana Act ("**AUMA**") creating an adult-use marijuana program for adults 21 years of age or older. AUMA had some conflicting provisions with MCRSA, so in June 2017, the California State Legislature passed Senate Bill No. 94, known as Medicinal and Adult-Use Cannabis Regulation and Safety Act ("**MAUCRSA**"), which amalgamates MCRSA and AUMA to provide a set of regulations to govern a medical and adult-use licensing regime for cannabis businesses in the State of California. The four agencies that originally regulated marijuana at the state level were the Bureau of Cannabis Control ("**BCC**"), California Department of Food and Agriculture ("**DFA**"), California Department of Public Health ("**DPH**"), and California Department of Tax and Fee Administration. MAUCRSA went into effect on January 1, 2018.

On July 1, 2019, California enacted A.B. 97. In relevant part, the bill authorizes licensing authorities to issue citations and fines to a licensee or an unlicensed person who violates MAUCRSA. The maximum fine is $5,000 per violation for licensees and $30,000 per violation for unlicensed persons. Each day of a violation constitutes a separate violation.

A.B. 97 also repeals a prior requirement that an applicant for a provisional license first hold a temporary license. The bill also requires applicants for provisional licenses to submit evidence of compliance with the California Environmental Quality Act, limits the validity of a provisional license to 12 months with subsequent renewals as approved by the relevant licensing authority, and allows licensing authorities to revoke provisional licenses for failing to diligently pursue final licensure. Finally, the bill requires the DPH to establish a certification program for manufactured cannabis products comparable to the National Organic Program and the California Organic Food and Farming Act.

On October 12, 2019, California enacted A.B. 1529. The bill mandates that all cannabis vaping cartridges and cannabis vaporizers must include a universal symbol identifying the product as a vaping product.

On July 12, 2021, California Governor Gavin Newsom signed into law Assembly Bill 141 (AB-141), which creates the Department of Cannabis Control ("**DCC**"). The DCC will consolidate the state's cannabis program oversight from three of the existing agencies – the BCC, the DFA, and the DPH – under a single department in an effort to centralize and simplify regulatory and licensing oversight in California. DCC similarly announced its intention to create a single Licensing Division that would be responsible for licensing of all cannabis businesses. On or about September 15, 2021, the DCC filed emergency regulations to consolidate, clarify, and make consistent cannabis regulations to the California Office of Administrative Law. After a limited comment period, these consolidated emergency regulations were approved and became effective on or about September 27, 2021. These regulations created consistent standards for cannabis licensees across all license types, by aligning application requirements, unifying terminology, and clarifying ownership and financial interest requirements.

At present, to legally operate a medical or adult-use cannabis business in California, the operator must have both a local and state license. This requires license holders to operate in cities with marijuana licensing programs. Therefore, cities in California are allowed to determine the number of licenses they will issue to marijuana operators or can choose to outright ban marijuana.

Columbia Care (through its subsidiaries in the State of California) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of California.

California Licenses

The table below describes the licenses held by Columbia Care subsidiaries in California. The granting of a temporary license does not guarantee that an annual license will subsequently be granted.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Mission Bay, LLC	California Department of Cannabis Control - # C10-0000472- LIC	San Diego	07/18/22	Adult-Use and Medicinal Provisional Retailer License
Focused Health, LLC	California Department of Cannabis Control – CDPH-10003760	San Diego	07/29/22	Annual Manufacturing License – Type 7: Volatile Solvent Extraction
Focused Health, LLC	California Department of Cannabis Control –CCL19-0003852	San Diego	12/26/22	Provisional Cannabis Cultivation License – Adult-Use Specialty Indoor -
Focused Health, LLC	California Department of Cannabis Control - C10-0001210-LIC	San Diego	06/09/22	Adult-Use and Medicinal Provisional Distributor License
The Healing Center of San Diego, LLC	California Department of Cannabis Control - C10-0000213-LIC	San Diego	06/13/22	Adult-Use and Medicinal Provisional Retailer License
PHC Facilities, Inc.	California Department of Cannabis Control CCL18-0003760	Los Angeles	04/26/22	Provisional Cannabis Cultivation License – Adult-Use Medium Indoor
PHC Facilities, Inc.	California Department of Cannabis Control - C11-0000072-LIC	Los Angeles	05/09/22	Adult-Use and Medicinal Provisional Distributor License
PHC Facilities, Inc.	California Department of Cannabis Control - C10-0000050-LIC	Los Angeles	05/09/22	Adult-Use and Medicinal Provisional Retailer License
Resource Referral Services, Inc.	California Department of Cannabis Control - C10-0000130-LIC	North Hollywood	06/04/22	Adult-Use and Medicinal Provisional Retailer License
Access Bryant SPC	California Department of Cannabis Control - C10-0000527-LIC	San Francisco	07/28/22	Adult-Use and Medicinal Provisional Retailer License
The Wellness Earth Energy Dispensary, Inc.	California Department of Cannabis Control – C10-0000288-LIC	Studio City	06/24/22	Adult-Use and Medicinal Provisional Retailer License

California Licensing Requirements

A medicinal retailer license permits the sale of medicinal cannabis and cannabis products to a medicinal cannabis patient in California who possesses a physician's recommendation. Only certified physicians may provide medicinal marijuana recommendations. An adult-use retailer license permits the sale of cannabis and cannabis products to any individual age 21 years of age or older who presents a valid government-issued photo identification.

An adult-use or medicinal cultivation license permits cannabis cultivation activity which means any activity involving the planting, growing, harvesting, drying, curing, grading or trimming of cannabis. Such licenses further permit the production of a limited number of non-manufactured cannabis products and the sales of cannabis to certain licensed entities within the state of California for resale or manufacturing purposes.

An adult-use or medical manufacturing license permits the manufacturing of cannabis products. Manufacturing includes the compounding, blending, extracting, infusion, packaging or repackaging, labeling or relabeling, or other preparation of a cannabis product.

In the state of California, only cannabis that is grown in the state can be sold in the state. Although California is not a vertically-integrated system, the state allows licensees to make wholesale purchase of cannabis from, or a distribution of cannabis and cannabis product to, another licensed entity within the state.

Holders of marijuana licenses in California are subject to a detailed regulatory scheme encompassing: security, staffing, sales, manufacturing standards, inspections, inventory, advertising and marketing, product packaging and labeling, records and reporting, and more. As with all jurisdictions, the full regulations, as promulgated by each applicable state agency, should be consulted for further information about any particular operational area.

California Dispensary Requirements

Cannabis retailers may only sell cannabis products that were received by the retail licensee from a licensed distributor or licensed microbusiness authorized to engage in distribution, and the licensed retailer must verify that the cannabis goods have not exceeded their best-by, sell-by, or expiration date if one is provided. The goods must have undergone appropriate laboratory testing, and the batch number labeled on the package of cannabis goods must match the batch number on the corresponding certificate of analysis for regulatory compliance testing. The packaging and goods must comply with all applicable laws in order for the goods to be sold at the retail location. In addition to cannabis goods, a licensed retailer may sell only cannabis accessories and licensee's branded merchandise. A licensed retailer may not provide free cannabis goods except for in certain limited circumstances.

Cannabis retailers may only display cannabis goods for inspection and sale in the retail area. Such goods may be removed from their packaging and placed in containers to allow for customer inspection, so long as the containers are not readily accessible to customers without assistance of retailer personnel. A container must be provided to the customer by the licensed retailer or its employees, who must remain with the customer at all times that the container is being inspected by the customer. Cannabis goods removed from their packaging in this way may not be sold or consumed. They must be destroyed appropriately when they are no longer being used for display.

California Reporting Requirements

The state of California uses METRC as the state's track-and-trace ("**T&T**") system used to track commercial cannabis activity and movement across the distribution chain for all state-issued annual licensees. The system allows for other third-party system integration via application programming interface. Only licensees have access to METRC.

California Storage, Transportation, and Security Requirements

To ensure the safety and security of cannabis business premises and to maintain adequate controls against the diversion, theft, and loss of cannabis or cannabis products, California's marijuana businesses are required to do the following:

- maintain a fully operational security alarm system;
- contract for security guard services;
- maintain a video surveillance system that records continuously 24 hours a day;
- ensure that the facility's outdoor premises have sufficient lighting;
- not dispense from its premises outside of permissible hours of operation;
- store cannabis and cannabis product only in areas per the premises diagram submitted to the state of California during the licensing process;
- store all cannabis and cannabis products in a secured, locked room or a vault;
- report to local law enforcement within 24 hours after being notified or becoming aware of the theft, diversion, or loss of cannabis; and
- ensure the safe transport of cannabis and cannabis products between licensed facilities, maintain a delivery manifest in any vehicle transporting cannabis and cannabis products. Only vehicles registered with the BCC that meet BCC distribution requirements are to be used to transport cannabis and cannabis products.

DCC Inspections

The DCC, and its authorized representatives, shall have full and immediate access to inspect and enter onto any premises licensed by the DCC. Prior notice of an inspection, investigation, review, or audit is not required. The DCC may also test any vehicle or equipment possessed by, in control of, or used by a licensee or their agents and employees for the purpose of conducting commercial cannabis activity. Moreover, it may test any cannabis goods or cannabis-related materials, or products possessed by, in control of, or used by a licensee or their agents and employees for the purpose of conducting commercial cannabis activity. The DCC may also copy any materials, books, or records of any licensee or their agents and employees. Failure to cooperate with and participate in any DCC investigation pending against the licensee may result in a licensing violation subject to discipline.

COLORADO

Colorado Regulatory Landscape

On November 7, 2000, Colorado voters approved Amendment 20, which amended the state constitution to allow the use of marijuana in the state by approved patients with written medical consent. On November 6, 2012, Colorado voters approved Amendment 64, which amended the state constitution to establish an adult use cannabis program in Colorado and permit the commercial cultivation, manufacture and sale of marijuana to adults 21 years of age or older. The commercial sale of marijuana for adult use to the general public began on January 1, 2014 at cannabis businesses licensed under the regulatory framework. As of January 1, 2020, medical and adult use marijuana are regulated together under a single statute – the Colorado Marijuana Code.

Under the Colorado Marijuana Code, the Colorado Department of Revenue is empowered to grant licenses to both adult use and medical marijuana businesses, including cultivation facilities, products manufacturers, testing facilities, transporters, researchers and developers, and (in the adult use context) accelerator cultivators, accelerator stores, and hospitality businesses.

Cannabis businesses must also comply with local licensing requirements. Colorado localities are allowed to limit or prohibit the operation of marijuana businesses.

Columbia Care in Colorado is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of Colorado.

Colorado License Requirements

An application for a marijuana business in Colorado requires submission of (1) a copy of any local license required for the marijuana business, (2) a certificate of good standing from the jurisdiction in which the business was formed, (3) the identity and address of the registered agent in Colorado, (4) organizational documents such as articles of incorporation, bylaws, articles of organization, and similar documents, (5) corporate governance documents, (6) a deed, lease, or similar document establishing the applicant's ability to use the proposed premises, (7) a facility diagram, (8) findings of suitability with respect to the business' owners, (8) information regarding securities listings (if the business is publicly traded), (9) financial statements, and documents related to payments of taxes. A business is required to obtain permission from its locality as part of the licensing process.

Colorado Licenses

Columbia Care operates marijuana establishments as detailed below.

Holding Entity	Permit/License	City	Expiration or Renewal Date (if applicable)	Description
The Green Solution LLC	Cannabis retail license 402R-00780	Aspen, Colorado	9/25/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00300	Aurora, Colorado (Peoria Court)	10/1/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00302	Aurora, Colorado (E. Montview Boulevard)	10/1/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00297	Aurora, Colorado (S. Potomac)	10/1/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00303	Aurora, Colorado (E. Colfax)	10/1/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00666	Aurora, Colorado (Quincy Avenue)	5/1/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00474	Denver, Colorado (Federal Boulevard)	6/24/2022	Authorizes retail of cannabis.

Holding Entity	Permit/License	City	Expiration or Renewal Date (if applicable)	Description
The Green Solution LLC	Cannabis retail license 402R-00374	Black Hawk, Colorado	12/15/2022	Authorizes retail of cannabis. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
The Green Solution LLC	Cannabis retail license 402R-00015	Denver (Grape Street)	1/1/2022	Authorizes retail of cannabis. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
The Green Solution LLC	Cannabis retail license 402R-00016	Denver, Colorado (Alameda Avenue)	1/1/2022	Authorizes retail of cannabis. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
The Green Solution LLC	Cannabis retail license 402R-00700	Denver, Colorado (Wewatta Street)	5/20/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis cultivation license 403R-00018	Denver, Colorado Grape (REC) Grow	1/1/2022	Authorizes cultivation of cannabis. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
The Green Solution LLC	Cannabis cultivation license (medical) 403-00208	Denver, Colorado Grape Grow	3/5/2022	Authorizes cultivation of medical cannabis.
The Green Solution LLC	Cannabis retail license 402R-00298	Edgewater, Colorado	10/1/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00501	Fort Collins, Colorado	9/23/2022	Authorizes retail of cannabis.

Holding Entity	Permit/License	City	Expiration or Renewal Date (if applicable)	Description
The Green Solution LLC	Cannabis retail license (medical) 402-00839	Fort Collins, Colorado	6/26/2022	Authorizes retail of medical cannabis.
The Green Solution LLC	Cannabis retail license 402R-00654	Glendale, Colorado	3/13/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00742	Glenwood Springs, Colorado	3/29/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00718	Longmont, Colorado	1/18/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00014	Northglenn, Colorado	1/1/2022	Authorizes retail of cannabis. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
The Green Solution LLC	Cannabis retail license 402R-00737	Sheridan, Colorado (3926 S. Federal Boulevard)	3/26/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00743	Sheridan, Colorado (3318 S. Federal Boulevard)	3/29/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00299	Silver Plume, Colorado	10/1/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00670	Pueblo, Colorado	5/12/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00582	Trinidad, Colorado (Santa Fe Trail)	7/11/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis retail license 402R-00583	Trinidad, Colorado (N. Commercial Street)	7/11/2022	Authorizes retail of cannabis.
The Green Solution LLC	Cannabis delivery permit 605R-00005	Aurora, Colorado	10/1/2022	Authorizes delivery of retail cannabis within the City of Aurora
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-01151	Trinidad, Colorado (36900 El Moro Road)	5/28/2022	Authorizes cultivation of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00892	Trinidad, Colorado (1200 Republic Drive)	2/15/2022	Authorizes cultivation of cannabis.

Holding Entity	Permit/License	City	Expiration or Renewal Date (if applicable)	Description
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00893	Trinidad, Colorado (1201 Republic Drive)	2/15/2022	Authorizes cultivation of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00894	Trinidad, Colorado (1202 Republic Drive)	2/15/2022	Authorizes cultivation of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00895	Trinidad, Colorado (1203 Republic Drive)	2/15/2022	Authorizes cultivation of cannabis.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00020	Denver, Colorado (Steele Street)	1/1/2022	Authorizes cultivation of cannabis. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
Rocky Mountain Tillage, LLC	Cannabis cultivation license 403R-00836	Denver, Colorado (Barberry Place)	1/25/2022	Authorizes cultivation of cannabis.
Infuzionz, LLC	Cannabis processing license 404R-00003	Denver, Colorado (Washington Street)	1/1/2022	Authorizes manufacturing of cannabis products. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
Infuzionz, LLC	Cannabis processing license (Medical) 404-00329	Denver, Colorado (Washington Street)	1/28/2022	Authorizes manufacturing of medical cannabis products. The regulator has provided a letter confirming renewal receipt and continuing validity of license.
Futurevision Ltd	Cannabis retail license 402R-00034	Denver, Colorado (Nome Street)	1/1/2022	Authorizes retail of cannabis
Futurevision Ltd	Cannabis retail license (medical) 402-00088	Denver, Colorado (Nome Street)	1/1/2022	Authorizes retail of medical cannabis
Futurevision Ltd	Cannabis retail license 402R-00296	Aurora, Colorado (Havana Street)	10/1/2022	Authorizes retail of cannabis
Columbia Care CO, Inc	Cannabis retail license 402R-00640	Thornton, Colorado	2/6/2022	Authorizes retail of cannabis
Futurevision Ltd	Cannabis cultivation license 403R-00040	Denver, Colorado (Nome Street)	1/1/2022	Authorizes cultivation of cannabis
Futurevision Ltd	Cannabis cultivation license (medical) 403-00131	Denver, Colorado (Nome Street)	7/5/2022	Authorizes cultivation of medical cannabis
Futurevision Ltd	Cannabis Delivery Permit 605R-00006	Aurora, Colorado	10/1/2022	Authorizes the delivery of retail cannabis within the city of Aurora

With respect to the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, Columbia Care would expect to receive the applicable renewed licenses in the ordinary course of business.

Regulatory Requirements

The regulations establish requirements applicable to all marijuana businesses, along with specific requirements for each type of business.

All marijuana businesses in Colorado are required to (1) create and enforce limited access areas for the protection of marijuana and marijuana products, (2) maintain security alarm systems installed and maintained by a licensed alarm installation company, as well as approved locks and surveillance equipment, (3) follow all applicable laws regarding waste disposal (including cannabis-containing wastes), (4) implement an inventory tracking system used for inventory tracking and recordkeeping, (5) comply with both state and local requirements as to hours of operation, (6) comply with sanitary requirements applicable to employees and production spaces, including sanitation audits, (7) comply with recordkeeping requirements, and (8) maintain and provide procedures for dealing with product recalls.

Cultivation facilities are additionally required to (1) provide and maintain copies of standard operating procedures for cultivation, harvesting, drying, curing, trimming, packaging, storing, and sampling, (2) comply with requirements related to pesticides, and (3) comply with additional sanitary and product safety requirements. Marijuana products manufacturers are required to (1) comply with labeling and dosing requirements related to standardized doses of marijuana, (2) comply with specific prohibitions regarding the shapes, colors, and similar characteristics of edible products, refrain from use of prohibited additives and ingredients, (3) maintain and provide standard operating procedures related to manufacturing of each category of products. Marijuana dispensaries are subject to additional requirements regarding (1) methods of accepting orders, (2) payments by customers, and (3) identification of customers.

The Marijuana Enforcement Division and local licensing authorities may conduct announced or unannounced inspections of licensees to determine compliance with applicable laws and regulations. Licensees may also be subject to inspection of the licensed premises by the local fire department, building inspector, or code enforcement officer to confirm that no health or safety concerns are present.

Colorado uses METRC as the Marijuana Enforcement Division's marijuana inventory tracking system for all medical and adult use licensees. Marijuana is required to be tracked and reported with specific data points from seed to sale through METRC for compliance purposes under Colorado marijuana laws and regulations. This tracking is conducted by using electronic tags on plants and shipments between licensees and facilities.

DELAWARE

Delaware Regulatory Landscape

Delaware's medical marijuana program is governed by the Delaware Medical Marijuana Act, 16 Del. C.

§ 4901A *et seq.*, and the Department of Health and Social Services' (the "**Department**") implementing regulations, CDR 16-4000-4470. The program authorizes registered qualified patients with a debilitating medical condition to use marijuana. "Debilitating medical condition" includes: (a) terminal illness, cancer, HIV, AIDS, decompensated cirrhosis, amyotrophic lateral sclerosis, agitation of Alzheimer's disease, PTSD, intractable epilepsy, seizure disorder, glaucoma, chronic debilitating migraines; (b) a chronic or debilitating disease or medical condition or its treatment that produces cachexia or wasting syndrome; severe, debilitating pain that has not responded to previously prescribed medication or surgical measures for more than 3 months or for which other treatment options produced serious side effects; intractable nausea; seizures; severe and persistent muscle spasms, including those characteristic of multiple sclerosis; and (c) other medical conditions or treatments that may be added by the Department. Citizens may petition the Department to add conditions or treatments to the list of debilitating medical conditions.

The medical marijuana program creates a licensing regime for medical marijuana compassion centers ("**Compassion Centers**"). Compassion Centers must be operated on a non-profit basis. Once registered, a Compassion Center may acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, or dispense marijuana strictly for the purpose of assisting registered patients or their designated caregivers with the medical use of marijuana. Compassion Centers are required to grow an amount of marijuana sufficient to meet demand but may not possess more than 1,000 pounds of usable marijuana without having a variance approved by the Department. Delaware prohibits Compassion Centers from purchasing marijuana from any person other than another Compassion Center.

Columbia Care (through its subsidiary in the State of Delaware) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of Delaware.

Delaware License Requirements

Applicants for a license to operate a Compassion Center must include a US$5,000 application fee along with identifying documentation about the proposed Compassion Center, such as the proposed legal name, bylaws, articles of incorporation, and proposed address. An application must include information about the proposed facility, including: a description of the enclosed, locked facility, meeting all Department requirements for use in the cultivation of marijuana; and a description of proposed security and safety measures which demonstrate compliance with the Department's regulations. The Department also requires applicants to disclose financial and organizational information. Such information must include evidence of the Compassion Center's non-profit status; identifying information for each principal officer and board member; a draft operations manual which demonstrates compliance with the Department's regulations; a list of persons or business entities having direct or indirect authority over the management or policies of the Compassion Center; a list of persons or business entities having 5.0% or more ownership in the Compassion Center, including owners of any business entity which owns all or part of the land or building; and the identities of creditors holding a security interest in the premises, if any. Applications must also include an example of the design and security features of medical marijuana containers which demonstrates compliance with the regulations.

When the Department notifies an applicant that its application to operate a Compassion Center has been approved, it must submit a number of additional items before the registration certificate authorizing operation of a Compassion Center will be issued: a certification fee of US$40,000; the legal name, articles of incorporation, and bylaws of the Compassion Center; the physical address of the Compassion Center and any other address used for cultivation; evidence of compliance with zoning laws, other location restrictions, and the State Fire Code; and updates to previously submitted information.

Delaware Dispensary Requirements

Registered Compassion Centers are required to keep detailed financial reports of proceeds and expenses; maintain inventory, sales, and financial records in accordance with generally accepted accounting principles; and provide Department or Department-contracted audit firms with access to its books and records.

Compassion Centers must comply with a detailed process for disposing of unusable marijuana. A Compassion Center must immediately update its inventory system to reflect a disposal of marijuana, and the marijuana waste must be stored, secured, and managed in a manner that renders the waste unusable. Delaware also prohibits the use of pesticides on marijuana.

The Department has promulgated regulations specific to the dispensing of marijuana. Marijuana must be dispensed in sealed, tamperproof containers clearly identified as having been issued by the Compassion Center and that include certain disclosures. The containers should be accompanied by written instruction that the marijuana shall remain in this container when it is not being prepared for ingestion or being ingested. Compassion Centers must verify the patient's or caregiver's identification card as valid before dispensing marijuana, and marijuana must not be dispensed to a person other than a qualifying patient or primary caregiver. The maximum amount a Compassion Center can dispense to a single patient is 3 ounces during a 14-day period.

Delaware Licenses

Columbia Care operates through a management services arrangement with Columbia Care Delaware LLC, a non- profit affiliate that holds a Compassion Center license and operates a dispensary and a manufacturing center, as noted in the table below.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Delaware LLC	Registration Certificate and Operation Permit for Medical Marijuana Compassion Center 2009-CC01	Milford, DE	09/15/22	Cultivation and Manufacturing Facility

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Delaware LLC	Registration Certificate and Operation Permit for Medical Marijuana Compassion Center 2009-CC02	Smyrna, DE	09/15/22	Dispensary
Columbia Care Delaware LLC	Registration Certificate and Operation Permit for Medical Marijuana Compassion Center 2009-CC06	Wilmington, DE	09/15/22	Dispensary
Columbia Care Delaware LLC	Registration Certificate and Operation Permit for Medical Marijuana Compassion Center 2009-CC07	Rehoboth Beach, DE	09/15/22	Dispensary

Compassion Centers' registrations expire every two years. A renewal application must be submitted between 90 and 30 days prior to the expiration of the current registration certificate. With respect to the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Columbia Care Delaware LLC would expect to receive the applicable renewed licenses in the ordinary course of business.

Delaware Security, Storage, and Transportation Requirements

Compassion Centers must store marijuana in a locked area with adequate security. The adequacy of security is to be determined based on the quantity of usable marijuana on hand, the Compassion Center's inventory system, the number of people with access to the marijuana, the location of the Compassion Center, the scope and sustainability of the alarm system, and the root cause analysis of any prior breaches. Compassion Centers are also subject to detailed security and inventory-management requirements. A Compassion Center must implement appropriate security and safety measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana. This includes access and entry limitations; maintaining a fully operational alarm system with immediate automatic notification to alert local authorities of a security breach; maintaining a log of security inspections and tests, alarm activations, and security breaches; and instituting a 24/7 video surveillance system covering areas in which marijuana is handled. The Department has also instituted a number of inventory controls. Compassion Centers must utilize a bar-coding inventory control system to track sales and inventory data; store marijuana in a locked area with adequate security; and conduct and document monthly inventory reviews and bi-annual comprehensive inventory reviews.

A registered Compassion Center agent must have documentation when transporting marijuana on behalf of the registered Compassion Center that specifies the amount of marijuana being transported, the date the marijuana is being transported, the registry ID certificate number of the registered Compassion Center or registered safety compliance facility, and a contact number to verify that the marijuana is being transported on behalf of the registered Compassion Center or registered safety compliance facility.

Department Inspections

Compassion Centers are also subject to inspections by the Department's Office of Medical Marijuana. These inspections may include: a review of the Compassion Center's financial and dispensing records; a review of the physical facility; an inspection for pesticides, fungus, or mold; and random sampling of marijuana plants. Moreover, the Department or an independent auditor with which it contracts shall at all times have access to all books and records kept by any Compassion Center.

FLORIDA

Florida Regulatory Landscape

In 2014, the Florida Legislature passed the Compassionate Use Act which was the first legal medical cannabis program in the state's history. The original Compassionate Use Act only allowed for low-THC cannabis to be dispensed and purchased by patients suffering from cancer and epilepsy. In 2016, the Legislature passed the Right To Try Act which allowed for full potency cannabis to be dispensed to patients suffering from a diagnosed terminal condition. Also in 2016, the Florida Medical Marijuana Legalization Initiative was introduced by citizen referendum and passed with a 71.3% majority on November 8. This language amended the state constitution and mandated an expansion of the state's medical cannabis program.

The Florida Medical Marijuana Legalization Initiative, Amendment 2 ("**Amendment 2**"), and the expanded qualifying medical conditions, became effective on January 3, 2017. The Florida Department of Health, physicians, dispensing organizations, and patients are also subject to Article X Section 29 of the Florida Constitution and § 381.986 of the Florida Statutes. On June 9, 2017, the Florida House of Representatives and Florida Senate passed respective legislation to implement the expanded program by replacing large portions of the existing Compassionate Use Act, which officially became law on June 23, 2017. The law regulating Amendment 2 provides for another four licenses to be issued for every 100,000 patients added to the state's medical marijuana registry and allows growers to open 25 dispensaries, plus an additional five dispensaries for every 100,000 patients. The 2017 legislation's cap on dispensing facilities expired on April 1, 2020 and there is now no limit. There is also no state-imposed limitation on the permitted size of cultivation or processing facilities in Florida, nor is there a limit on the number of plants that may be grown. The Department of Health, Office of Medical Marijuana Use ("OMMU") is expected to issue up to 27 new vertically integrated medical marijuana treatment center licenses by July 1, 2023.

Additionally, in 2017, the Florida legislature passed an act developing an industrial hemp pilot project, which created the framework for legalized industrial hemp in Florida. The pilot project allowed for the research of industrial hemp. In 2019, the State Hemp Program (the "**FL Act**") became effective and expanded the hemp program in Florida. The FL Act permitted the development of a state hemp plan by the Florida Department of Agriculture and Consumer Services ("**FDACS**"). In 2020, FDACS submitted a state plan for regulation of industrial hemp to the U.S. Department of Agriculture for approval pursuant to the 2018 Farm Bill. The U.S. Department of Agriculture has approved Florida's plan.

The Florida Hemp Program includes several regulatory requirements. FDACS requires any individual or entity processing, manufacturing, distributing, retailing, or growing hemp to obtain a permit with FDACS. Other requirements include testing to ensure the hemp has a permissible THC level of under 0.3%; inventory of land used for cultivation of hemp; disposal procedure plans; submission to inspection by and information sharing with FDACS; and state certification. Intentional violations of the Act and FDACS's rules may result in criminal penalties and a loss of license. Repeated negligent violation may result in a suspension of license.

Columbia Care (through its subsidiary in the State of Florida) is materially compliant with applicable licensing requirements and the regulatory framework enacted by the State of Florida.

Florida Licenses

Subsection 381.986(8)(a) of the State of Florida Statutes provides a regulatory framework that requires licensed producers, which are statutorily defined as "Medical Marijuana Treatment Centers" ("**MMTC**"), to cultivate, process and dispense medical cannabis in a vertically integrated marketplace. Licenses issued by the Department may be renewed biennially so long as the license meets the requirements of the law and the license holder pays a renewal fee. License holders can only own one license.

Under the terms of its MMTC license, Columbia Care's 100%-owned subsidiary, Columbia Care Florida, is permitted to sell medical cannabis only to qualified medical patients that are registered with the state. Only certified physicians who have successfully completed a medical cannabis educational program can register patients and their medical cannabis orders on the Florida Office of Compassionate Use Registry. Pursuant to subsection 381.986(8)(a)(5)(b) of the State of Florida Statutes, MMTCs may not establish more than the maximum number of dispensing facilities allowed in each region of the state, as determined by the Department of Health based on a population-centric formula. Dispensaries may otherwise be in any geographic location within the state as long as the local municipality's zoning regulations authorize such a use and the proposed site is zoned for a pharmacy and not within 500 feet of a church or school. In the State of Florida, only cannabis that is grown in the state can be sold in the state. As Florida is a vertically integrated system, Columbia Care Florida is able to cultivate, harvest, process and sell/dispense/deliver its own medical cannabis products. The State of Florida also allows Columbia Care Florida to make a wholesale purchase of medical cannabis from, or a distribution of medical cannabis to, another licensed dispensing organization within the state under certain circumstances such as crop failure.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Florida LLC	Medical Marijuana Treatment Center – MMTC- 2017-0011	Multiple Locations	05/19/22	Authorizes Columbia Care Florida to cultivate, process, transport and dispense cannabis for medical use
Better-Gro Companies LLC	License to Cultivate Hemp – 12_4B86A8D7	Arcadia, FL	01/12/22	License to cultivate industrial hemp.

Florida Reporting Requirements

The Florida Department of Health requires that any licensee establish, maintain, and control a computer software tracking system that traces cannabis from seed to sale and allows real-time, 24-hour access by the Florida Department of Health to such data. The tracking system must allow for integration of other seed-to-sale systems and, at a minimum, include notification of when marijuana seeds are planted, when marijuana plants are harvested and destroyed, and when cannabis is transported, sold, stolen, diverted, or lost. Additionally, the Florida Department of Health also maintains a patient and physician registry and Columbia Care must comply with requirements and regulations relative to providing required data or proof of key events to said system.

Florida Licensing Requirements

Licenses issued by the Department may be renewed biennially so long as the licensee meets requirements of the law and pays a renewal fee. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Columbia Care Florida would expect to receive the applicable renewed license in the ordinary course of business. While Columbia Care's compliance controls have been developed to mitigate the risk of any material violations of a license arising, there is no assurance that the licenses will be renewed in the future in a timely manner. Any unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned operations of Columbia Care and have a material adverse effect on its business, financial condition, results of operations, or prospects.

MMTC license holders can only own one license. An MMTC applicant must demonstrate that: (i) they have been registered to do business in the State of Florida for the previous five years, (ii) they possess a valid certificate of registration issued by the Florida Department of Agriculture, (iii) they have the technical and technological ability to cultivate and produce cannabis, including, but not limited to, low-THC cannabis, (iv) they have the ability to secure the premises, resources, and personnel necessary to operate as an MMTC, (v) they have the ability to maintain accountability of raw materials, finished products, and by-products to prevent diversion or unlawful access to or possession of these substances, (vi) they have an infrastructure reasonably required to dispense cannabis to registered qualified patients statewide or regionally as determined by the Department, (vii) they have the financial ability to maintain operations for the duration of the two-year approval cycle, including the provision of certified financial statements to the Department, (viii) its owners, officers, board members and managers have passed a Level II background screening, inclusive of fingerprinting, and ensure that a medical director is employed to supervise the activities of the MMTC, and (ix) they have a diversity plan and veterans plan accompanied by a contractual process for establishing business relationships with veterans and minority contractors and/or employees. Upon approval of the application by the Department, the applicant must post a performance bond of up to US$5 million, which may be reduced by meeting certain criteria such as a minimum patient count.

Florida Dispensary Requirements

An MMTC may not dispense to a patient more than a 70-day supply of cannabis within a 70-day period, except an MMTC may not dispense more than a 35-day supply of marijuana in a form for smoking within a 35-day period. By law, a 35-day supply is 2.5 ounces of whole flower. The MMTC employee who dispenses the cannabis must enter into the registry his or her name or unique employee identifier. The MMTC must verify that: (i) the qualified patient and the caregiver, if applicable, each has an active registration in the registry and active and valid medical cannabis use registry identification card, (ii) the amount and type of cannabis dispensed matches the physician certification in the registry for the qualified patient, and (iii) the physician certification has not already been filled. An MMTC may not dispense to a qualified patient younger than 18 years of age, only to such patient's caregiver. An MMTC may not dispense or sell any other type of cannabis, alcohol, or illicit drug-related product, except a cannabis delivery device as specified in the physician certification. An MMTC must, upon dispensing, record in the registry:

(i) the date, time, quantity and form of cannabis dispensed,

(ii) the type of cannabis delivery device dispensed, and

(iii) the name and registry identification number of the qualified patient or caregiver to whom the cannabis delivery device was dispensed. An MMTC must ensure that patient records are not visible to anyone other than the patient, caregiver, and MMTC employees.

Florida Security, Transportation, and Storage Requirements

Each MMTC must maintain a video surveillance system with specified features. MMTCs must retain video surveillance recordings for at least 45 days, or longer upon the request of law enforcement.

An MMTC's outdoor premises must have sufficient lighting from dusk until dawn. An MMTC's dispensing facilities must include a waiting area with sufficient space and seating to accommodate qualified patients and caregivers and at least one private consultation area and such facilities may not display products or dispense cannabis or cannabis delivery devices in the waiting area and may not dispense cannabis from its premises between the hours of 9:00 p.m. and 7:00 a.m. but may perform all other operations and deliver cannabis to qualified patients 24-hours a day.

Cannabis must be stored in a secured, locked room or a vault. An MMTC must have at least two employees, or two employees of a security agency, on the premises at all times where cultivation, processing, or storing of cannabis occurs. MMTC employees must wear a photographic identification badge and visitors must wear a visitor pass at all times on the premises. An MMTC must report to law enforcement within 24 hours after the MMTC is notified of or becomes aware of the theft, diversion or loss of cannabis.

A cannabis transportation manifest must be maintained in any vehicle transporting cannabis or a cannabis delivery device. The manifest must be generated from the MMTC's seed-to-sale tracking system and must include the: (i) departure date and time, (ii) name, address, and license number of the originating MMTC, (iii) name and address of the recipient, (iv) quantity and form of any cannabis or cannabis delivery device being transported, (v) arrival date and time, (vi) delivery vehicle make and model and license plate number; and (vii) name and signature of the MMTC employees delivering the product. Further, a copy of the transportation manifest must be provided to each individual, MMTC that receives a delivery. MMTCs must retain copies of all cannabis transportation manifests for at least three years. Cannabis and cannabis delivery devices must be locked in a separate compartment or container within the vehicle and employees transporting cannabis or cannabis delivery devices must have their employee identification on them at all times. Lastly, at least two people must be in a vehicle transporting cannabis or cannabis delivery devices, and at least one person must remain in the vehicle while the cannabis or cannabis delivery device is being delivered.

Florida Inspections

The Department conducts announced and unannounced inspections of MMTCs to determine compliance with the laws and rules. The Department shall inspect an MMTC upon receiving a complaint or notice that the MMTC has dispensed cannabis containing mold, bacteria, or other contaminants that may cause an adverse effect to humans or the environment. The Department shall conduct at least a biennial inspection of each MMTC to evaluate the MMTC's records, personnel, equipment, security, sanitation practices, and quality assurance practices.

ILLINOIS

Illinois Regulatory Landscape

The Compassionate Use of Medical Cannabis Pilot Program Act, which allows individuals diagnosed with a debilitating medical condition access to medical marijuana, became effective January 1, 2014 and has since been made permanent and retitled as the Compassionate Use of Medical Cannabis Program Act. There are over 35 qualifying conditions as part of the medical program, including epilepsy, traumatic brain injury, and post-traumatic stress disorder. In January 2019, the Illinois Department of Health launched the Opioid Alternative Pilot Program, which provides access to medical marijuana for individuals who have or could receive a prescription for opioids.

Illinois' retail market size for medical cannabis in 2018 was over US$136 million, representing an over 160% year- over-year increase. Total retail sales by licensed medical cannabis dispensaries since November 2015 are over US$1.1 billion in aggregate.

In March 2018, Cook County voters (Cook County is the most populous county in the state, encompassing all of Chicagoland metro area) responded positively for state-wide adult-use legalization with a 63% majority in a non- binding vote. In November 2018, Illinois elected J.B. Pritzker as governor. Pritzker supported legalizing marijuana during his campaign.

Illinois enacted the Cannabis Regulation and Tax Act in June 2019 (the "**IL Act**"). The IL Act legalized the adult use of marijuana effective January 1, 2020. Under the IL Act, Illinois residents age 21 and older are allowed to possess any combination of (i) up to 30 grams of raw marijuana, (ii) marijuana infused products containing no more than 500 mg of THC; and (iii) 5 grams of marijuana in concentrated form. Non-residents can possess any combination of (i) up to 15 grams of raw marijuana, (ii) marijuana infused products containing no more than 250 mg of THC; and (iii) 2.5 grams of marijuana in concentrated form. The IL Act authorizes the Illinois Department of Financial and Professional Regulation ("**IDFPR**") to issue up to 75 Conditional Adult Use Dispensing Organization licenses before May 1, 2020 and an additional 110 conditional licenses during 2021. Existing medical dispensaries were able to apply for an "Early Approval Adult Use Dispensing Organization License" to serve adult users at an existing medical dispensary or at a secondary site. No person can hold a financial interest in more than 10 dispensing organizations.

Following backlash related to the IDFPR's adult-use license rollout, on July 15, 2021, Governor Pritzker signed House Bill 1443, now Public Act 102-0098, modifying the IL Act and the Compassionate Use of Medical Cannabis Program Act and establishing a more comprehensive criteria to award the adult-use licenses. Lotteries for the adult-use licenses were held July 29, 2021, August 5, 2021, and August 19, 2021. IDFPR has issued 110 Adult Use Dispensing Organization licenses to date.

The Illinois Department of Agriculture is authorized to make up to 30 cultivation center licenses available between the state's medical and adult-use programs. As with existing medical dispensaries, existing cultivation centers were able to apply for an "Early Approval Adult Use Cultivation Center License." The Department has issued approximately 21 Early Approval Adult Use Cultivation Centers to date. No person can hold a financial interest in more than three cultivation centers, and the centers are limited to 210,000 square feet of canopy space. Cultivation center are also prohibited from discriminating in price when selling to dispensaries, craft growers, or infuser organizations. The Department is also permitted to license up to 40 craft growers and 40 infuser organizations by July 1, 2020 and another 60 of each license type by the end of 2021. To date, the Department has issued 82 craft grower licenses and 31 infuser licenses.

The IL Act imposes several operational requirements on adult-use licensees and requires prospective licensees to demonstrate their plans for complying with the requirements. Applicants for dispensary licenses must, for example, include an employee training plan, a security plan, recordkeeping and inventory plans, a quality control plan, and an operating plan. Applicants for craft growers must similarly submit a facility plan, an employee training plan, a security a record keeping plan, a cultivation plan, a product safety and labeling plan, a business plan, an environmental plan, and more.

Licensees must establish methods for identifying, recording, and reporting diversion, theft, or loss, correcting inventory errors, and complying with product recalls. Licensees also must comply with detailed inventory, storage, and security requirements. Cultivation licenses are subject to similar operational requirements, such as complying with detailed security and storage requirements, and must also establish plans to address energy, water, and waste- management needs. Dispensary licenses will be renewed bi-annually, and cultivation licenses, craft grower licenses, infuser organization licenses, and transporter licenses will be renewed annually.

The Illinois Department of Agriculture is authorized to promulgate regulations for cultivators, craft growers, infuser organizations, and transporting organizations, and the IDFPR is authorized to regulate dispensaries. The Department of Agriculture's final rules took effect on June 3, 2020, while the IDFPR has not yet issued final regulations for the adult- use program.

The IDFPR issued an emergency rule regarding relocation of Early Approval Adult Use Dispensing Organization Licenses ("Early Approval License"), which became effective on October 12, 2021 and will expire 150 days from the effective date. This rule permits Early Approval License holders to apply to relocate their dispensary on a form prescribed by the IDFPR.

Additionally, in 2015, the Illinois Industrial Hemp Pilot Program became effective pursuant to the 2014 Farm Bill. This statute enabled researchers and higher education institutions to grow hemp for educational and research purposes. The Illinois Department of Agriculture ("**IDOA**") administered the Industrial Hemp Pilot Program. In 2018, the Illinois Industrial Hemp Act (the "**IL Hemp Act**") became effective. The IL Hemp Act allowed for the growing and processing to expand beyond researchers and higher education institutions and allowed planting and processing by farmers and others. IDOA was given authority to develop and oversee rules for the state hemp program.

IDOA promulgated rules for the state's hemp program in 2019. An individual or entity cultivating, processing, or handling hemp must obtain a license from IDOA. The IL Hemp Act subjects licensees to several regulatory requirements. These include filing a report on the harvest and planting; submission to inspection and sampling at the discretion of IDOA; testing to ensure the hemp has a permissible THC level of under 0.3%; and certain restrictions on the sale and transport of hemp. Intentional violations of the IL Hemp Act and IODA's rules may result in criminal penalties and a loss of license. Repeated negligent violation may result in a suspension of license.

In 2020, the U.S. Department of Agriculture approved the Illinois hemp production plan.

Columbia Care (through its subsidiaries in the State of Illinois) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of Illinois.

Illinois Licenses

The table below lists the licenses issued to Columbia Care with respect to its operations in Illinois. Under applicable laws, the licenses permit Columbia Care to, collectively, cultivate and dispense marijuana pursuant to the terms of the licenses, which are issued by the Department of Agriculture and the Department of Financial and Professional Regulation under the provisions of Illinois Revised Statutes 410 ILCS 130 and 410 ILCS 705. All licenses are, as of the date hereof, active with the State of Illinois.

There are two categories of medical cannabis licenses in Illinois: (1) cultivation/processing and (2) dispensary. The licenses are independently issued for each approved activity. All cultivation/processing establishments must register with Illinois Department of Agriculture. All dispensaries must register with the Illinois Department of Financial and Professional Regulation. If applications contain all required information, and after vetting by officers, establishments are issued a medical marijuana establishment registration certificate. Registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. Renewal requests are typically communicated through email from the Department of Agriculture or the Department of Financial and Professional Regulation and include a renewal form. Adult-use dispensary licenses must be renewed with the IDFPR prior to March 31 of every even-numbered year, while adult-use cultivation center licenses must be renewed annually.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Curative Health LLC	IL Dept. of Financial & Professional Regulation Certificate – 280.000044-DISP	Chicago, IL	08/29/2022	Registered Medical Cannabis Dispensing Organization Certificate
Curative Health LLC	Il. Dept. of Financial & Professional Regulation – 284.000024-AUDO	Chicago, IL	03/31/2022	Registered Adult-Use Cannabis Dispensing Organization Certificate
Curative Health LLC	Il. Dept. of Financial & Professional Regulation – 284.000065-AUDO	Villa Park, IL	03/31/2022	Registered Adult-Use Cannabis Dispensing Organization Certificate

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Curative Health Cultivation, LLC	IL Dept. of Agriculture Early Approval Adult Use Cultivation Center License #1512040751-EA	Aurora, IL	03/31/2022	Early Approval Adult-Use Cultivation Center License
Curative Health Cultivation, LLC	IL Dept. of Agriculture Medical Cannabis Cultivation Permit #1512040751	Aurora, IL	12/04/2022	Medical Cannabis Cultivation Center Operating Permit
Curative Health Cultivation LLC	IL Dept. of Agriculture Registered Industrial Hemp Processor License – #1204-332	Aurora, IL	12/31/2022	Registered Industrial Hemp Processor License
Curative Health Cultivation LLC	IL Dept. of Agriculture Registered Cannabis Transporter License #1512040751-TR	Aurora, IL	07/14/22	Registered Cannabis Transporter License

Illinois License and Regulations

The medical marijuana retail dispensary license permits Columbia Care to purchase marijuana and marijuana products from cultivation/processing facilities and allows the sale of marijuana and marijuana products to registered patients. The adult-use dispensing organization license permits Columbia Care to acquire cannabis from a cultivation center, craft grower, processing organization, or another dispensary for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia, or related supplies to adult use purchasers and to qualified registered medical cannabis patients and caregivers.

The medical cultivation license permits Columbia Care to acquire, possess, cultivate, manufacture/process into edible medical marijuana products and/or medical marijuana-infused products, deliver, transfer, have tested, transport, supply or sell marijuana and related supplies to medical marijuana dispensaries. The adult-use cultivation center license permits Columbia Care to cultivate, process, and perform other necessary activities to provide cannabis and cannabis-infused products to cannabis business establishments.

Illinois Dispensary Requirements

Curative Health LLC must operate in accordance with the representations made in its application and registration packet. It must include its name on the packaging of any cannabis product it sells. All medical products must be obtained from an Illinois registered medical cultivation center, while all adult-use products must be obtained from a licensed adult-use cultivation center, craft grower, processing organization, or another dispensary. Curative Health LLC must inspect and count product it receives before dispensing it. It may only accept cannabis products which come properly packaged and labeled from such cultivation center suppliers. The dispensary must also stay in compliance with all applicable building, fire, and zoning requirements or regulations. The dispensary may not operate a drive through window, nor may it offer delivery services. Curative Health LLC may only operate between 6 a.m. and 8 p.m. local time for medical sales and 6 a.m. to 10 p.m. for adult-use sales, and two or more employees must be present at all times.

Each dispensary must submit a list of all third-party vendors to the Department of Financial and Professional Regulation – Division of Professional Regulation and the name of all service professionals that will work at the dispensary. The list must include a description of the type of business or service provided, and changes to the service professional list must be promptly provided. No service professional may work in the dispensary until his or her name is provided to the Department of Financial and Professional Regulation – Division of Professional Regulation on the service professional list.

Curative Health LLC may not produce or manufacture cannabis at its dispensary, nor may it allow the consumption of cannabis there. It is prohibited to sell cannabis or cannabis-infused products to a consumer unless the individual presents an active registered identification card issued by the Department of Public Health or presents valid government identification verified using an electronic scanning device and showing that the consumer is at least 21 years of age.

Curative Health LLC may not enter into an exclusive agreement with any supplier, and it must deal with all suppliers on the same terms. It may not contract with, pay, or have a profit-sharing arrangement with third party groups that assist individuals with finding a physician or completing the patient or participant application; nor may it pay a referral fee to a third-party group for sending it patients or participants. No more than 40% of its adult-use inventory may originate from a single supplier.

Illinois Reporting Requirements

The state of Illinois uses BioTrack as the state's computerized T&T system for seed-to-sale. Individual licensees, whether directly or through third-party integration systems, are required to push data to the state to meet all reporting requirements. Columbia Care integrates its in-house tracking system with the state's BioTrack program to capture the data points required by the Illinois Compassionate Use of Medical Cannabis Pilot Program Act and the Cannabis Regulation and Tax Act.

Illinois Storage and Security Requirements

As to its cultivation facility, the adult-use and medical-use laws and regulations require Columbia Care to store marijuana and marijuana infused products in a safe, vault, or secured room in such a manner to prevent diversion, theft, or loss. Marijuana that is not a finished product must likewise be maintained in a secured area within the facility only accessible to authorized personnel. Locks and security equipment safeguarding the marijuana must be kept in good working order, and the storage areas must be locked and protected from unauthorized access.

The cultivation facility must also have an operational 24-hour, seven-days-a-week, closed circuit television surveillance system on the premises that complies with certain regulatory minimum standards. Access to the surveillance area is restricted to those people who are essential to surveillance operations, law enforcement agencies, security system service personnel, and the regulator. In addition, video surveillance recordings must be retained for 90 days at the facility and an additional 90 days off site.

Columbia Care must also maintain an alarm system at its cultivation facility. The cultivation facility must maintain and use a professionally monitored robbery and burglary alarm system that meets certain regulatory minimum standards. A qualified alarm system vendor must test the system annually.

With respect to its Illinois dispensary, Columbia Care must store inventory on site in a secured and restricted access area consistent with the security regulations and track its inventory in accordance with the inventory tracking regulations. Containers storing medical marijuana that have been tampered with or opened must be stored separately until disposed; such materials can only be stored at the dispensary for one week.

The dispensary must also implement security measures to deter and prevent entry into and theft from restricted access areas that contain marijuana and/or currency. This includes having a commercial grade alarm and surveillance system installed by an Illinois licensed private alarm contractor or private alarm contractor agency. The facility must also have security measures to protect the premises, customers and dispensing organization agents.

Illinois Transportation Requirements

Cultivation centers may transport cannabis in accordance with certain guidelines; however, cultivation centers will be prohibited from transporting adult-use cannabis without obtaining a separate transporting organization license beginning on July 1, 2020.

For medical marijuana, prior to transportation, a cultivation center must complete a shipping manifest using a form prescribed by the Department of Agriculture. The cultivation center must transmit a copy of the manifest to the dispensary facility that will receive the products and to the Department of Agriculture before the close of business the day prior to transport. Such shipping manifests must be maintained, and they must be provided to the Department of Agriculture at its request. Cannabis may only be transported in a locked storage compartment or container, and it must not be visible from outside the vehicle. Motor vehicles may not make detours while transporting cannabis except to dispensary facilities or laboratories, refueling stops, or emergencies. Emergencies must be immediately reported to 911 and the cultivation center, and the cultivation center must immediately notify the Department of Agriculture. Deliveries must be randomized, and there must be a minimum of two employees on each transport team. At least one team member must remain with the vehicle whenever the vehicle contains cannabis. Every delivery team member must have a secure means of contacting personnel at the cultivation center, as well as the ability to contact emergency personnel. Each team member must also have his or her department-issue identification card at all times when transporting cannabis and must produce it upon request by the Department of Agriculture or law enforcement.

The requirements for adult-use cannabis transported by a licensed transporting organization are similar. Cannabis must be pre-packaged in a sealed cannabis container by the business shipping the cannabis. The transporting organization cannot open the container. The transporting organization must maintain a daily inventory of all cannabis that it transports, containing names of the agents and businesses shipping and receiving the cannabis and a notation of the traceable information located on the cannabis container, such as the type of cannabis and the weight. In addition to other safety and security requirements, all transportation vehicles must be equipped with a GPS tracking system that stores historic data for no less than 12 months. The Department is permitted to search all historic and real-time GPS data upon request.

Dispensaries may not accept deliveries through public areas or areas where patrons may be. Deliveries must be accepted through a secure area unless otherwise approved by the Department of Financial and Professional Regulation– Division of Professional Regulation.

Illinois Inspections

Dispensaries and cultivation centers are subject to random and unannounced inspections and cannabis testing. They must also make all records, logs, and reports immediately available for inspection upon request by the Department of Financial and Professional Regulation – Division of Professional Regulation or the Department of Agriculture, as applicable.

MARYLAND

The Maryland Medical Cannabis Commission (the "**Maryland MCC**") grants medical cannabis grower, processor, dispensary and transportation licenses. A licensee may hold a license in each category to obtain vertical integration. The applicant must first seek pre-approval from the Maryland MCC to be granted a license. As part of the pre-approval application, the applicant must submit information related to its operations; safety and security; medical cannabis professionalism; retail management factors; business and economic factors; and other additional factors that may apply. Columbia Care's 96%-owned subsidiary, Columbia Care MD LLC, received its final license in September 2019 to operate a dispensary.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care MD LLC	Medical Cannabis Establishment License #D-19- 00012	Chevy Chase, MD	09/26/25	Dispensary
Green Leaf Medical, LLC	Medical Cannabis Establishment License #G-17-00008	Frederick, MD	08/14/23	Cultivation Facility
Green Leaf Extracts, LLC	Medical Cannabis Establishment License #P-17-00001	Bishopville, MD	08/14/23	Processor Facility
Wellness Institute of Maryland, LLC	Medical Cannabis Establishment License #D-17-00001	Frederick, MD	07/05/23	Dispensary
Sugarloaf Enterprises, LLC	Medical Cannabis Establishment License #D-20-00007(1)	Rockville, MD	03/25/26	Dispensary
Time for Healing LLC	Pre-Approval Stage	Prince George's County	Pre-Approval Stage	Dispensary

Notes:

(1) Columbia Care is operating the license under the terms of a management services agreement

Dispensary licenses in Maryland are renewed every six years. Before expiry, licensees are required to submit a renewal application. While renewals are granted every six years, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Columbia Care MD LLC would expect to have its future anticipated license renewed in the ordinary course of business. While Columbia Care's compliance controls have been developed to mitigate the risk of any material violations of a license arising, there is no assurance that licenses will be renewed in the future in a timely manner.

Columbia Care (through its subsidiary in the State of Maryland) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of Maryland.

Maryland Licensing Requirements

To become a licensed medical cannabis dispensary, each applicant must submit an application detailing the location of the proposed dispensary, the personal details of each principal officer or director, and operating procedures the dispensary will use. Owners, members, shareholders, officers, and directors of dispensary holding a 5% or greater interest in the company must undergo a criminal and financial background checks. Employees, volunteers and personnel who will be working in the dispensary with access to the non-public areas are required to undergo background checks and register as a dispensary agent with the Maryland MCC.

Maryland Reporting Requirements

Once licensed, the medical cannabis dispensary is required to submit to the Maryland MCC quarterly reports including the following information: (i) the number of patients served; (ii) the county of residence of each patient served; (iii) the medical condition for which medical cannabis was recommended; (iv) the type and amount of medical cannabis dispensed; and (v) if available, a summary of clinical outcomes, including adverse events and any cases of suspected diversion. The medical cannabis dispensary must not include any patient personal information in the quarterly report.

Maryland Inspections

Licensees must be inspected by the Maryland MCC prior to receiving approval from the Maryland MCC to be authorized to begin cultivation, processing, and dispensing. Licensees are eligible to apply to renew their license every two years during which time a full inspection of the facility is performed. Spot-inspections may be performed at the dispensary at any time and without advance notice.

Maryland Safety and Security Requirements

As part of the medical cannabis dispensary application, the applicant must provide information about the dispensary's operating procedures consistent with the oversight regulations established by the Maryland MCC, including the following: (i) storage of cannabis and products containing cannabis only in enclosed and locked facilities; (ii) security features and procedures; (iii) how the dispensary will prevent diversion; and (iv) safety procedures. As part of the safety and security requirements, the applicant must detail how the premises will be constructed to prevent unauthorized entry, including a designation of a secured room meeting high-security requirements. The applicant must describe how it would train all registered dispensary agents on safety procedures, including responding to: (i) a medical emergency; (ii) a fire; (iii) a chemical spill; and (iv) a threatening event including: (a) an armed robbery, (b) an invasion, (c) a burglary, or (d) any other criminal incident.

The applicant must describe its security and surveillance plan with information including the following: (i) an alarm system that covers perimeter entry points, windows, and portals at the premises that: (a) will be continuously monitored; (b) detects smoke and fire capabilities; (c) detects power loss capabilities; (d) includes panic alarm devices mounted at convenient, readily-accessible locations through the licensed premises; (e) inclusion of a second, independent alarm system to protect where records are stored on- and off-site and where any secure room holds medical cannabis; (f) equipped with auxiliary power to continue operation for at least 48 hours; (ii) a video surveillance system that: (a) records continuously for 24 hours per day for 365 days a year without interruption, (b) has cameras in fixed places that allow for the clear facial identification and of activities in the controlled areas of the premises, including where medical cannabis is packaged, tested, processed, stored, or dispensed, (c) has the capability of recording clear images and displays the time and date of the recording, and (d) demonstrates a plan for retention of recordings for at least 30 days.

Following issuance of a license, no major renovation or modification may be undertaken without notification to the Maryland MCC. Other than while the dispensary is open for business and one hour before and one hour after, the medical cannabis inventory must be stored in the secure room.

Medical cannabis products are subject to testing for contaminants by an independent testing laboratory. In November 2019, the Maryland MCC mandated enhanced testing requirements for vape cartridges and disposable vape pens. Such products must be screened for vitamin E acetate, and any product found to contain vitamin E acetate is prohibited from being sold to patients.

Maryland Operating Requirements

As part of the dispensary application, the applicant must provide information about the dispensary's operations, including the following:
(i) communication systems; (ii) facility odor mitigation; and (iii) back-up systems for cultivation and processing systems. The applicant must establish a standard operating procedure of the receipt, storage, packaging, labelling, handling, tracking, and dispensing of products containing medical cannabis and medical cannabis waste.

In addition, the applicant must provide information about the dispensary's medical cannabis professionalism, including the following information: (i) experience, knowledge, and training in training dispensary agents in the science and use of medical cannabis; and (ii) use of a clinical director (optional).

The applicant must also provide information about the dispensary's retail management operations, including the following: (i) a detailed plan to preserve the quality of the medical cannabis; (ii) a plan to minimize any negative impact on the surrounding community and businesses; (iii) a detailed inventory control plan; and (iv) a detailed medical cannabis waste disposal plan.

The business and economic factors of the dispensary business must also be detailed, including the following information: (i) a business plan demonstrating a likelihood of success, demonstrating sufficient business ability and experience on the part of the applicant, and providing for appropriate employee working conditions, benefits, and training; (ii) demonstration of adequate capitalization; and (iii) a detailed plan evidencing how the dispensary will enforce the alcohol and drug free workplace policy.

Additional information the applicant must also provide includes the following: (i) demonstration of Maryland residency among the owners and investors; (ii) evidence that the applicant is not in arrears regarding any tax obligation in Maryland or other jurisdictions; and (iii) the medical cannabis extracts and medical cannabis-infused products proposed to be dispensed with proposed cannabinoid profiles, including varieties with high CBD content, and the varieties of routes of administration.

Maryland Record Keeping and Inventory Tracking

Maryland requires use of a seed-to-sale tracking system software operated by Metrc LLC ("**METRC**"). Licensees must create and use a perpetual inventory control system that identifies and tracks the stock of medical cannabis from the time it is delivered or produced to the time it is delivered to a patient or qualified caregiver. The applicant must describe how it will assure the integrity of the electronic manifest and inventory control system and that a cannabis transportation agent will continue the chain of custody to a dispensary agent. In May 2020, Maryland amended the medical marijuana statutes to authorize a parent or legal guardian of a medical cannabis patient under 18 to designate up to two additional adults to be caregiver and authorizing the patient to obtain medical cannabis from certain school personnel.

The applicant must retain attendance records and ensure dispensary agents are trained on the record retention and standard operating procedure. Maryland MCC regulators have the authority to audit the records of licensees to ensure they comport with the reporting in METRC.

Maryland Dispensing

In order to dispense medical cannabis, a licensed dispensary is required to comply with various dispensing requirements: (1) require presentment of a written certification from a qualifying patient or caregiver, (2) query the MMCC's date network to verify that the patient is currently registered and has a certification from a provider, as well as the amount of medical cannabis that has already been dispensed pursuant to the written certification (3) dispense no more than a 30 day supply, (4) refuse to dispense medical cannabis if the patient or caregiver appears to be under the influence of drugs or alcohol. Registered patients and caregivers are required to provide attestations relating to their knowledge of the status of medical cannabis under Maryland and Federal law, as well as limitations on use of medical cannabis, such as keeping away from children and refraining from transfer to any other person.

Maryland Transportation

Only licensed medical cannabis growers, processors, or authorized secure transportation companies may transport business-to-business packages containing medical cannabis. Dispensaries are not authorized to pick up medical cannabis products from licensed growers or processors. Owners and employees of secure transportation companies must register as transportation agents with the Maryland MCC by undergoing criminal and financial background checks, and they must carry identification cards evidencing they hold current registration at all times while in possession of medical cannabis. Transportation agents must possess a current, valid driver's license and may not wear any clothing or symbols that indicate ownership or possession of medical cannabis while on duty. Medical cannabis transport vehicles must be approved by the Maryland MCC and shall display current registration from the state, be insured, and may not display any sign or illustration related to medical cannabis or a licensee.

Electronic manifests must accompany shipments to record the chain of custody and includes (i) the name and address of the shipping licensee; (ii) the shipping licensees shipment identification number; (iii) the weight and description of each individual package that is part of the shipment, and the total number of individual packages; (iv) the name of the licensee agent that prepared the shipment; (v) the name and address of the receiving licensee; (vi) any special handling or storage instructions; (vii) the date and time the shipment was prepared; (viii) the date and time the package was placed in the secure transport vehicle; and (ix) a listing of any other people who had custody or control over the shipment, and the person's identity, circumstances, duration and disposition.

Dispensary licensees in Maryland are authorized to perform home delivery directly to patients. To do so, the dispensary must (i) independently verify the patient's identification and registration status, (ii) enter the transaction in METRC prior to delivery; (iii) perform the delivery through a registered dispensary agent; and (iv) confirm the transaction otherwise complies with other requirements regarding sale of medical cannabis under applicable regulations. All home deliveries must be performed using a properly registered and insured secure medical cannabis transport vehicle. The vehicle may not bear any markings related to medical cannabis.

MASSACHUSETTS (MEDICAL)

The Commonwealth of Massachusetts has authorized the cultivation, possession and distribution of marijuana for medical purposes by certain licensed Massachusetts marijuana businesses. The Medical Use of Marijuana Program (the "**MUMP**") registers qualifying patients, personal caregivers, Medical Marijuana Treatment Centers ("**MMTCs**"), and MMTC agents. The MUMP was established by Chapter 369 of the Acts of 2012, "An Act for the Humanitarian Medical Use of Marijuana", following the passage of the Massachusetts Medical Marijuana Initiative, Ballot Question 3, in the 2012 general election. Additional statutory requirements governing the MUMP were enacted by the Legislature in 2017 and codified at G.L. c. 94I, et. seq. (the "**Massachusetts Medical Act**"). MMTC Certificates of Registration are vertically integrated licenses in that each MMTC Certificate of Registration entitles a license holder to one cultivation facility, one processing facility and one dispensary location. There is a limit of three (3) MMTC licenses per person/entity.

The Commonwealth of Massachusetts Cannabis Control Commission ("**CCC**") regulations, 935 CMR 501.000 et seq. ("**Massachusetts Medical Regulations**"), provide a regulatory framework that requires MMTCs to cultivate, process, transport and dispense medical cannabis in a vertically integrated marketplace. Patients with debilitating medical conditions qualify to participate in the program, including conditions such as cancer, glaucoma, positive status for human immunodeficiency virus (HIV), acquired immune deficiency virus (AIDS), hepatitis C, amyotrophic lateral sclerosis (ALS), Crohn's disease, Parkinson's disease, and multiple sclerosis (MS) when such diseases are debilitating, and other debilitating conditions as determined in writing by a qualifying patient's healthcare provider. The CCC assumed control of the MUMP from the Department of Public Health on December 23, 2018.

Effective January 8, 2021, the CCC repealed certain regulations applicable to co-located medical and adult use facilities and incorporated them into the adult use regulations at 935 CMR 500.00 and the medical regulations at 935 CMR 501.000, as part of an overall update of both sets of regulations. The updated regulations also included the following significant changes:

- permitting Marijuana "Courier" Licensees to deliver directly to consumers from the premises of licensed marijuana retailer establishments and Marijuana Delivery Operators to purchase wholesale marijuana products directly from marijuana cultivation and product manufacturer establishments and deliver the products directly to consumers from the Delivery Operator's warehouse location. Both Marijuana Courier and Marijuana Delivery Operator Licensees are reserved for at least 36 months for companies majority-owned and controlled by certain classes of certified Economic Empowerment or Social Equity applicants, for which Columbia Care does not quality;
- permitting Personal Caregivers to be registered to care for more than one – and up to five – Registered Qualifying Patients at one time; and
- permitting non-Massachusetts residents receiving end-of-life or palliative care or cancer treatment in Massachusetts to become Registered Qualifying Patients.

Columbia Care (through its subsidiary in the Commonwealth of Massachusetts) is in compliance with applicable licensing requirements and the regulatory framework enacted by the Commonwealth of Massachusetts.

Massachusetts Licensing Requirements (Medical)

The Massachusetts Medical Regulations delineate the licensing requirements for MMTCs in Massachusetts. Licensed entities must demonstrate the following: (i) they are licensed and in good standing with the Secretary of the Commonwealth of Massachusetts, the Department of Revenue, and the Department of Unemployment Assistance; (ii) no executive, member or any entity owned or controlled by such executive or member directly or indirectly controls more than three MMTC licenses and no person or entity can maintain more than 100,000 square feet of canopy; (iii) no person with an interest in an independent testing laboratory may have an interest in an MMTC; (iv) an MMTC may not cultivate, prepare or dispense medical cannabis from more than two locations statewide under a single license;

(v) dispensary agents must be registered with the CCC; (vi) an MMTC must have a program to provide reduced cost or free marijuana to patients with documented verifiable financial hardships; (vii) one executive of an MMTC must register with the Massachusetts Department of Criminal Justice Information Services on behalf of the entity as an organization user of the Criminal Offender Record Information (iCORI) system; (viii) the MMTC applicant has at least US$500,000 in its control as evidenced by bank statements, lines of credit or equivalent; (ix) payment of the required application fee; and (x) activities authorized by the MMTC license must only be conducted at the address(es) specified for that license.

An application for an MMTC license must include an Application of Intent, a Background Check, and a Management and Operations Profile. The Application of Intent consists of several requirements, including: (i) documentation that the MTC is registered to do business in Massachusetts and disclosures regarding all persons with direct or indirect control of the business; (ii) documentation regarding the amount and sources of capital available to the MMTC; (iii) the proposed address of the MMTC and documentation regarding the MMTC's property interest in the proposed address; (iv) an executed host community agreement with a locality; (v) documentation that the MMTC has held a community outreach meeting; (vi) plans to ensure compliance with local codes, ordinances, and bylaws; (vii) a plan to positively impact Area of Disproportionate Impact; and (vii) the application fee. The Background Check section must include: (i) a list of all individuals and entities having direct or indirect control; (ii) identifying information for each listed individual, as well as a CORI Acknowledgment form; and (iii) background information on certain criminal, civil, or administrative actions as to each listed person. The Management and Operational Profile must include, among other requirements: (i) certain business registration information and a certificates from the Secretary of the Commonwealth, the Department of Revenue, and the Department of Unemployment Assistance; (ii) a timeline for achieving operation of the MMTC and evidence of the MMTC's ability to timely operationalize; (iii) a plan to obtain liability insurance (or to utilize an escrow account in lieu of insurance); (iv) a detailed summary of the MMTC's business plan; (v) a detailed summary of the MMTCs operating policies, including security, diversion prevention, cannabis storage, transportation, inventory, quality control, personnel, dispensing procedures, record-keeping, financial records, and diversity plans; (vi) qualifications and trainings for MMTC agents; (vii) proposed hours of operation and disclosure of emergency contacts; (viii) a home delivery plan (if applicable); (ix) a cultivation plan; (x) a list of products the MMTC intends to produce; and (xi) a summary of the MMTC's plan to provide reduced-cost or free cannabis to patients with financial hardship.

Upon the determination by the CCC that an MMTC applicant has met the above requirements in a satisfactory fashion, the MMTC applicant is required to pay the applicable registration fee and shall be issued a provisional license. Thereafter, the CCC shall review architectural plans for the building of the MMTC's cultivation facility and/or dispensing facilities, and shall either approve, modify or deny the same. Once approved, the MMTC provisional license holder shall construct its facilities in conformance with the requirements of the Massachusetts Regulations. Once the CCC completes its inspections and issues approval for an MMTC of its facilities, the CCC shall issue a final license to the MMTC applicant. MMTC final licenses are valid for one year and shall be renewed by filing the required renewal application no later than sixty days prior to the expiration of the certificate of registration.

Massachusetts Licenses (Medical)

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Patriot Care Corp.	Cannabis Control Commission "Certificate of Registration" #RMD165	Lowell, MA	06/27/22	Medical Dispensary, Cultivation and Product Manufacturing
Patriot Care Corp.	Cannabis Control Commission "Certificate of Registration" #RMD727	Greenfield, MA	10/14/22	Medical Dispensary, Cultivation and Product Manufacturing
Patriot Care Corp.	Cannabis Control Commission "Certificate of Registration" #RMD265	Boston, MA	10/14/22	Medical Dispensary, Cultivation and Product Manufacturing

The licenses in Massachusetts are renewed annually. Before expiry, licensees are required to submit a renewal application. While renewals are granted annually, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Patriot Care Corp. would expect to receive the applicable renewed license in the ordinary course of business.

Massachusetts MMTC Requirements (Medical)

An MMTC shall follow its written and approved operation procedures in the operation of its MMTC facilities. Operating procedures shall include (i) security measures in compliance with the Massachusetts Regulations; (ii) employee security policies including personal safety and crime prevention techniques; (iii) hours of operation and after-hours contact information; (iv) storage and waste disposal protocols in compliance with state law; (v) a description of the various strains of marijuana that will be cultivated and dispensed, and the forms that will be dispensed; (vi) procedures to ensure accurate recordkeeping including inventory protocols; (vii) plans for quality control; (viii) a staffing plan and staffing records; (ix) emergency procedures; (x) alcohol, smoke, and drug-free workplace policies; (xi) a plan describing how confidential information will be maintained; (xii) a policy for the immediately dismissal of MMTC agents engaged in diversion or unsafe practices, or who has been the subject of certain criminal proceedings; (xiii) disclosure of a list of all directors, members, and executives upon request; (xiv) policies and procedures for the handling of cash on MMTC premises including storage, collection frequency and transport to financial institutions; (xv) standards and procedures related to pricing, price changes, and financial hardship; (xvi) policies for energy efficiency and conservation; policies and procedures for workplace safety; and (xvi) a description of the MMTC"s patient education activities. For MMTC cultivation operations, there are 11 tiers of cultivator licenses ranging from a maximum of 5,000 square feet (Tier 1) to between 90,001 to 100,000 square feet of canopy (Tier 11). MMTCs can apply to change their tier classification to expand or reduce production.

The siting of MMTC locations is expressly subject to local/municipal approvals pursuant to state law, and municipalities control the permitting application process that an MMTC must comply with. More specifically, an MMTC shall comply with all local requirements regarding siting and unless a locality adopts a less restrictive requirement, an MMTC shall not be sited within a radius of five hundred feet of a school, daycare center, or any facility in which children commonly congregate. The 500-foot distance under this section is measured in a straight line from the nearest point of the facility in question to the nearest point of the proposed MMTC. The Massachusetts Regulations require that MMTCs limit their inventory of seeds, plants, and useable marijuana to reflect the projected needs of registered qualifying patients. An MMTC shall only dispense to a registered qualifying patient or caregiver who has a current valid certification.

Massachusetts Security and Storage Requirements (Medical)

An MMTC shall implement sufficient security measures to deter and prevent unauthorized entrance into areas containing marijuana and theft of marijuana at the MMTC. These measures must include: (i) allowing only registered qualifying patients, caregivers, dispensary agents, authorized persons, or approved outside contractors access to the MMTC facility; (ii) preventing individuals from remaining on the premises of an MMTC if they are not engaging in activities that are permitted; (iii) disposing of marijuana or byproducts in compliance with law; (iv) establishing limited access areas accessible only to authorized personnel; (v) storing finished marijuana in a secure locked safe or vault; (vi) keeping equipment, safes, vaults or secured areas securely locked; (vii) ensuring that the outside perimeter of the MMTC is sufficiently lit to facilitate surveillance; and (viii) ensuring that landscaping or foliage outside of the MMTC does not allow a person to conceal themselves. An MMTC shall also utilize a security/alarm system that: (i) monitors entry and exit points and windows and doors, (ii) includes a panic/duress alarm, (iii) includes system failure notifications, (iv) includes 24-hour video surveillance of safes, vaults, sales areas, areas where marijuana is cultivated, processed or dispensed, and (v) includes date and time stamping of all records and the ability to produce a clear, color still photo. The video surveillance system shall have the capacity to remain operational during a power outage. The MMTC shall also maintain a backup alarm system with the capabilities of the primary system, and both systems shall be maintained in good working order and shall be inspected and tested on regular intervals.

Massachusetts Transportation Requirements (Medical)

An MMTC, as an element of its License, is licensed to transport its marijuana to other licensed establishments. Marijuana may only be transported between licensed MMTCs by registered MMTC Agents. Licensed Marijuana Transporters may also transfer marijuana to or from an MMTC. The originating and receiving licensed MMTCs shall ensure that all transported Marijuana Products are linked to the Seed-to-sale tracking program. Any Marijuana Product that is undeliverable or is refused by the destination MMTC shall be transported back to the originating establishment. All vehicles transporting marijuana must be staffed with a minimum of two MMTC Agents. Prior to leaving an MMTC for the purpose of transporting marijuana, the originating MMTC must weigh, inventory, and account for, on video, all marijuana to be transported. Within eight hours after arrival at the destination MMTC, the destination MMTC must re-weigh, re-inventory, and account for, on video, the marijuana. The marijuana must be packaged in sealed, labeled, and tamper or child-resistant packaging prior to and during transportation. Transportation times and routes are randomized and all transport routes remain within the Commonwealth. If the transported product required temperature control, all vehicles and transportation equipment must provide adequate temperature control. Vehicles must also be equipped with a video system.

A vehicle used for transporting Marijuana Products must be: (i) owned or leased by the MMTC or otherwise licensed by the Commission as a third-party transporter; (ii) properly registered, inspected, and insured in the; (iii) equipped with an alarm system approved by the Commission; and (iv) equipped with functioning heating and air conditioning systems appropriate for maintaining correct temperatures for storage of marijuana. Marijuana must not be visible from outside the vehicle and a transport vehicle cannot bear any markings indicating that the vehicle is being used to transport marijuana. Once on board the vehicle, marijuana must be transported in a secure, locked storage compartment that is a part of the vehicle and cannot be easily removed. Vehicles must be equipped with a GPS meeting certain regulatory requirements, and agents must always have access to secure communication devices.

The transporting MMTC Agents must contact the originating location when stopping at and leaving any scheduled location, and regularly throughout the trip, at least every 30 minutes. The originating location must have an MMTC Agent assigned to monitoring the GPS unit and secure form of communication, who must log all official communications with MMTC Agents transporting marijuana. Unexpected stops or incidents, along with discrepancies in inventory, must be reported to the Commission and to law enforcement. A manifest must accompany all deliveries. The manifest must include certain information specified by regulation to identify the shipping, transporting, and receiving persons; the products being transported; and more. Prior to transport, the manifest shall be securely transmitted to the destination MMTC by facsimile or email. On arrival at the destination MMTC, an MMTC Agent must compare the manifest produced by the agents who transported the marijuana to the copy transmitted by facsimile or email. Manifests must be retained for at least a year and made available to the CCC upon request.

Massachusetts Department Inspections (Medical)

The CCC or its agents may inspect an MMTC and affiliated vehicles at any time without prior notice. An MMTC shall immediately upon request make available to the CCC information that may be relevant to a CCC inspection, and the CCC may direct an MMTC to test marijuana for contaminants. Any violations found will be noted in a deficiency statement that will be provided to the MMTC, and the MMTC shall thereafter submit a Plan of Correction to the CCC outlining with particularity each deficiency and the timetable and steps to remediate the same. The CCC has the authority to suspend or revoke an MMTC license and to take other disciplinary actions against MMTC license holders.

MASSACHUSETTS (ADULT-USE)

Adult-use (recreational) marijuana has been legal in Massachusetts since December 15, 2016, following a ballot initiative in November of that year. The Cannabis Control Commission (the **"CCC"**), a regulatory body created in 2018, licenses adult use cultivation, processing and dispensary facilities (collectively, "**Marijuana Establishments**") pursuant to 935 CMR 500.000 et seq. The first adult-use marijuana facilities in Massachusetts began operating in November 2018.

Columbia Care (through its subsidiary in the Commonwealth of Massachusetts) is in compliance with applicable licensing requirements and the regulatory framework enacted by the Commonwealth of Massachusetts.

Massachusetts Licensing Requirements (Adult-Use)

Existing MMTCs are given priority status over other applicants (except Economic Empowerment Priority Applicants) in applying for licensure as a Marijuana Establishment. However, the CCC has limited the scope of the priority applicant status to the functions and locations that the MTC currently operates. The same material application requirements exist for a Marijuana Establishment license as an MTC application; namely an application for an MTC license must include an Application of Intent, a Background Check, and a Management and Operations Profile including the content specified in the Massachusetts (Medical) section above.

The adult-use license application process commenced on April 1, 2018 for existing MMTC license holders, and on July 1, 2018 for all non-MMTC license holders. Existing MMTC license holders that timely applied for an adult-use license on or before April 1, 2018 are eligible to receive three adult-use licenses per medical MMTC license. Namely, one integrated MMTC medical license is eligible, if awarded by the CCC, to receive three adult-use licenses as follows: one for cultivation, one for processing, and one for dispensary. Additionally, there are 11 tiers of cultivator licenses ranging from a maximum of 5,000 square feet (Tier 1) to between 90,001 to 100,000 square feet of canopy (Tier 11).

Patriot Care Corp. applied for adult-use licenses for facilities in Lowell, Massachusetts and Greenfield, Massachusetts in May and June 2018. On September 6, 2018, the CCC approved provisional licenses for retail, manufacturing, and cultivation in Lowell, Massachusetts, and retail in Greenfield, Massachusetts. On January 25, 2019, the CCC approved and thereafter issued final marijuana establishment licenses for retail, manufacturing and cultivation of adult-use marijuana in Lowell and retail of adult-use marijuana in Greenfield.

The final licenses allow Patriot Care Corp. to operate the Marijuana Establishments. The licenses are listed in the table below.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Patriot Care Corp.	Final Marijuana Establishment License #MR281283	Lowell, MA	09/15/22	Dispensary
Patriot Care Corp.	Final Marijuana Establishment License #MP281308	Lowell, MA	09/15/22	Manufacturing
Patriot Care Corp.	Final Marijuana Establishment License #MC281265	Lowell, MA	09/15/22	Cultivation
Patriot Care Corp.	Final Marijuana Establishment License #MR281282	Greenfield, MA	09/15/22	Dispensary
Patriot Care Corp.	Provisional Marijuana Retail License #MR281284	Boston, MA	01/18/22	Dispensary

After receiving the Final Licenses in Lowell and Greenfield, in order to commence operations, Patriot Care Corp. was required to ensure that the following occurred:

1. Agent registration applications have been approved for all executives, board members, managers, and a sufficient number of employees to operate the Marijuana Establishment;
2. The establishment’s Metrc administrator has successfully completed all Metrc training and has been allowed assess into the Metrc system;
3. All necessary agents have successfully logged into Metrc;
4. Beginning inventory has been entered into Metrc;
5. All plants are tagged properly;
6. All labeling and packaging requirements for finished marijuana and marijuana products are compliant with 935 CMR 500 and are ready for inspection;
7. All marijuana products that are packaged for sale to consumers have traceable lab results and such results were completed by an Independent Testing Laboratory approved by the CCC for licensure (if applicable);
8. The licensee shall demonstrate that it is in compliance with or has obtained applicable waivers or approvals from the Department of Public Health, as necessary, and provide documents as the Commission may request prior to commencing operations. The licensee may certify compliance on the Post-Final License Request Form;
9. Documentation from the Department of Revenue stating that the licensee is registered with DOR for sales tax purposes (for retail applications);

10. All registered agents have personnel files containing background check reports and all applicable information within those background reports were provided within the agent registration applications;
11. The background check report in each personnel file must have been obtained within 30 days prior to the submission of the agent application, unless the agent application was approved with a submitted background check waiver; and
12. Ensure that all conditions of the final license have been fully satisfied and are ready for inspection.

Massachusetts Dispensary Requirements (Adult-Use)

Marijuana retailers are subject to certain operational requirements in addition to those imposed on marijuana establishments generally. Dispensaries must immediately inspect patrons' identification to ensure that everyone who enters is at least twenty-one years of age. Dispensaries may not dispense more than one ounce of marijuana or five grams of marijuana concentrate per retail customer per day. Point-of-sale systems must be approved by the CCC, and retailers must record sales data. Records must be retained and available for auditing by the CCC and Department of Revenue.

Dispensaries must also make patient education materials available to patrons. Such materials must include:

- A warning that marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using marijuana, and that it should be kept away from children;
- A warning that when under the influence of marijuana, driving is prohibited by M.G.L. c. 90, § 24, and machinery should not be operated;
- Information to assist in the selection of marijuana, describing the potential differing effects of various strains of marijuana, as well as various forms and routes of administration;
- Materials offered to consumers to enable them to track the strains used and their associated effects;
- Information describing proper dosage and titration for different routes of administration, with an emphasis on using the smallest amount possible to achieve the desired effect;
- A discussion of tolerance, dependence, and withdrawal;
- Facts regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs;
- A statement that consumers may not sell marijuana to any other individual;
- Information regarding penalties for possession or distribution of marijuana in violation of Massachusetts law; and
- Any other information required by the CCC.

Transportation requirements for Marijuana Establishments are materially the same as is described above for MMTCs.

Massachusetts Security and Storage Requirements (Adult-Use)

Each marijuana establishment must implement sufficient safety measures to deter and prevent unauthorized entrance into areas containing marijuana and theft of marijuana at the establishment. Security measures taken by the establishments to protect the premises, employees, consumers and general public shall include, but not be limited to, the following:

- Positively identifying individuals seeking access to the premises of the Marijuana Establishment or to whom marijuana products are being transported pursuant to 935 CMR 500.105(14) to limit access solely to individuals 21 years of age or older;

- Adopting procedures to prevent loitering and ensure that only individuals engaging in activity expressly or by necessary implication permitted by these regulations and its enabling statute are allowed to remain on the premises;
- Disposing of marijuana in accordance with 935 CMR 500.105(12) in excess of the quantity required for normal, efficient operation as established within 935 CMR 500.105;
- Securing all entrances to the Marijuana Establishment to prevent unauthorized access;
- Establishing limited access areas pursuant to 935 CMR 500.110(4), which shall be accessible only to specifically authorized personnel limited to include only the minimum number of employees essential for efficient operation;
- Storing all finished marijuana products in a secure, locked safe or vault in such a manner as to prevent diversion, theft and loss;
- Keeping all safes, vaults, and any other equipment or areas used for the production, cultivation, harvesting, processing or storage of marijuana products securely locked and protected from entry, except for the actual time required to remove or replace marijuana;
- Keeping all locks and security equipment in good working order;
- Prohibiting keys, if any, from being left in the locks or stored or placed in a location accessible to persons other than specifically authorized personnel;
- Prohibiting accessibility of security measures, such as combination numbers, passwords or electronic or biometric security systems, to persons other than specifically authorized personnel;
- Ensuring that the outside perimeter of the marijuana establishment is sufficiently lit to facilitate surveillance, where applicable;
- Ensuring that all marijuana products are kept out of plain sight and are not visible from a public place without the use of binoculars, optical aids or aircraft;
- Developing emergency policies and procedures for securing all product following any instance of diversion, theft or loss of marijuana, and conduct an assessment to determine whether additional safeguards are necessary;
- Developing sufficient additional safeguards as required by the CCC for marijuana establishments that present special security concerns;
- At Marijuana Establishments where transactions are conducted in cash, establishing procedures for safe cash handling and cash transportation to financial institutions to prevent theft, loss and associated risks to the safety of employees, customers and the general public;
- Sharing the Marijuana Establishment’s floor plan or layout of the facility with law enforcement authorities, and in a manner and scope as required by the municipality and identifying when the use of flammable or combustible solvents, chemicals or other materials are in use at the Marijuana Establishment; and
- Sharing the Marijuana Establishment’s security plan and procedures with law enforcement authorities and fire services and periodically updating law enforcement authorities and fire services if the plans or procedures are modified in a material way.

Marijuana must be stored in special limited access areas, and alarm systems must meet certain technical requirements, including the ability to record footage to be retained for at least 90 days.

CCC Inspections

The CCC or its agents may inspect a Marijuana Establishment and affiliated vehicles at any time without prior notice in order to determine compliance with all applicable laws and regulations. All areas of a Marijuana Establishment, all Marijuana Establishment agents and activities, and all records are subject to such inspection. Marijuana Establishments must immediately upon request make available to the Commission all information that may be relevant to a CCC inspection, or an investigation of any incident or complaint. A Marijuana Establishment must make all reasonable efforts to facilitate the CCC's inspection, or investigation of any incident or complaint, including the taking of samples, photographs, video or other recordings by the CCC or its agents, and to facilitate the CCC's interviews of Marijuana Establishment agents. During an inspection, the CCC may direct a Marijuana Establishment to test marijuana for contaminants as specified by the CCC, including but not limited to mold, mildew, heavy metals, plant- growth regulators, and the presence of pesticides not approved for use on marijuana by the Massachusetts Department of Agricultural Resources.

Moreover, the CCC is authorized to conduct a secret shopper program to ensure compliance with all applicable laws and regulations.

MISSOURI

Missouri Regulatory Landscape

Article XIV of the Missouri Constitution ("**Article XIV**") provides that state-licensed physicians may recommend marijuana to patients for medical purposes and allows for the limited, regulated production, distribution, sale and purchase of marijuana for medical use. At a high level, Article XIV authorizes the Missouri Department of Health and Senior Services ("**DHSS**") to promulgate rules for the proper regulation and control of the cultivation, manufacture, dispensing, and sale of marijuana for medical uses, including the licensure of entities authorized to undertake those activities, operational standards for those activities, taxation of retail sales of marijuana for medical use, and the registration of qualified patients. In Missouri, a qualified patient is one that suffers from cancer, epilepsy, glaucoma, intractable migraines, a condition that causes severe and persistent pain, a debilitating psychiatric disorder, HIV/AIDs, a terminal illness, a chronic condition that normally requires a prescription medication that could be physically or psychologically addictive, or another chronic or debilitating condition as certified by a physician.

Pursuant to Article XIV, DHSS promulgated final rules governing the medical marijuana program in May 2019. Following promulgation of the rules, DHSS also undertook a process competitively to license entities in the areas of laboratory testing, cultivation, manufacturing, dispensing, and transportation in summer 2019. DHSS reported that it received approximately 2,270 applications for the various facility licenses, including 582 cultivation facility applications, 430 manufacturing facility applications, and 1,219 dispensary facility applications. Among these, DHSS issued 60 cultivation licenses, 86 manufacturing licenses, 192 dispensary licenses, and 10 laboratory testing licenses. These are the maximum number of licenses currently available under DHSS's regulations, though the regulations state that DHSS may in the future determine that additional licenses should be issued to meet the demand for medical marijuana of qualifying patients.

Missouri Licenses

Columbia Care MO LLC holds the following licenses in Missouri:

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care MO LLC	Medical Marijuana Certificate #MAN000036	Columbia, MO	01/10/23	Certificate for Infused Product Manufacture of Medical Marijuana
Columbia Care MO LLC	Medical Marijuana Certificate #DIS000184	Hermann, MO	01/23/23	Certificate to Dispense Medical Marijuana

Missouri Regulations

DHSS's regulations establish both general requirements applicable to all licensed facilities, as well as specific requirements for various types of licenses, including manufacturing and dispensary licenses.

All medical marijuana facilities are required to implement inventory control systems that utilize a DHSS-approved seed-to-sale tracking system for the tracking of marijuana products through the seed or immature plant stage through to sale to a qualified patient (or compliant disposal). Medical marijuana facilities are required to install and maintain security equipment designed to prevent unauthorized entrance, and include components of intrusion detection, electronic video monitoring, access limitation and control, and training of security personnel. Medical marijuana facilities are also required to maintain policies and procedures for addressing recalls, and proper labelling and packaging of products. In general, medical marijuana facilities are not permitted to be operated within 1,000 feet of schools or religious facilities. Wastes from medical marijuana facilities, such as solid wastes and wastewater, must be disposed of in accordance with otherwise-applicable Missouri law regarding waste disposal. Medical marijuana wastes are also required to be rendered unusable by mixture with non-marijuana wastes.

Manufacturing facilities, in addition to complying with all otherwise-applicable requirements, are required to develop and maintain an odor mitigation plan, develop a protocol to ensure independent testing of products, plans for minimizing the risk of explosions and fires, and plans to transport medical marijuana to dispensaries in a manner that complies with applicable regulations. Manufacturing facilities that produce ingestible products are required to comply with all otherwise-applicable food safety standards under Missouri law.

Dispensary facilities, in addition to complying with all otherwise-applicable requirements, are required to maintain information accessible to qualified patients regarding such topics as addiction, different strains of medical marijuana and their effects, the risks of medical marijuana use, and prohibitions on consumption of medical marijuana in public places. Dispensary facilities are required to utilize point-of-sale systems that verify a qualified patient's purchases through the statewide track and trace system, and that require verification of the qualified patient's government-issued identification. A dispensary may not dispense medical marijuana in excess of what the qualified patient is permitted to purchase under the patient's physician authorization. Dispensary facilities are required to limit access to qualifying patients and primary caregivers, and to enforce limited access areas throughout the dispensary facility.

NEW JERSEY

New Jersey Regulatory Landscape

New Jersey's medical marijuana program is governed by the Jake Honig Compassionate Use Medical Cannabis Act, N.J. Stat. § 24:6I-1 *et seq.* (the "Medical Cannabis Law"), and the implementing regulations of the Cannabis Regulatory Commission (the "**Commission**"), N.J.A.C. 17:30A *et seq.* Pursuant to the Medical Cannabis Law, qualifying patients with debilitating medical conditions may become registered to use medical marijuana. Debilitating medical conditions include: amyotrophic lateral sclerosis, anxiety, cancer, chronic pain, dysmenorrhea, glaucoma, inflammatory bowel disease including Crohn's disease, intractable skeletal spasticity, migraine, multiple sclerosis, muscular dystrophy, opioid use disorder, positive status for human immunodeficiency virus (HIV) and acquired deficiency syndrome (AIDS), post-traumatic stress disorder, seizure disorder including epilepsy, terminal illness with prognosis of less than 12 months to live, and Tourette's syndrome. The Medical Cannabis Law creates a permitting regime for "alternative treatment centers" ("**ATCs**"), which are vertically-integrated medical marijuana businesses. In addition, the Commission's regulations allow applicants for ATC permits to seek cultivation-, manufacturing-, or dispensing-specific licensure. Holders of an ATC license with a cultivation endorsement can possess, cultivate, plant, grow, harvest, and package usable marijuana; and can display, transfer, transport, distribute, supply, or sell marijuana to other ATCs, but not directly to registered qualifying patients. Holders of an ATC license with a manufacturing endorsement can possess and process usable marijuana; purchase usable marijuana from other ATCs possessing a cultivating endorsement; manufacture products containing marijuana approved by the Commission; conduct research and develop products containing marijuana for approval by the Commission; and can display, transfer, transport, distribute, supply, or sell marijuana and products containing marijuana to other ATCs, but not directly to registered qualifying patients. Finally, holders of an ATC license with a dispensary endorsement can purchase usable marijuana and products containing marijuana from other ATCs authorized to cultivate or manufacture usable marijuana or products containing marijuana; and can possess, display, supply, sell, and dispense, usable marijuana and/or products containing marijuana, to registered qualifying patients.

On July 2, 2019, New Jersey enacted the Jake Honig Compassionate Use Medical Cannabis Act that made several changes to the state's medical marijuana program. Amongst other changes, the NJ Act: (i) created the Commission, whereas the medical marijuana program was previously regulated by the New Jersey Department of Health, Division of Medicinal Marijuana ("DOH"); (ii) increases the monthly purchasing limit from two to three ounces of dry flower, and after 18 months allows the maximum to be adjusted by regulation; (iii) removes the purchasing limit for terminally ill and hospice patients; (iv) permits the sale of edible products; (v) phases out sales taxes on medical marijuana; (vi) provides reciprocity for patients registered with other state medical marijuana programs; (vii) authorizes home delivery to patients; and (viii) permitted ATCs to apply for up two additional satellite dispensing facilities, a right which expired as of January 2, 2021.

Columbia Care (through its subsidiary in the State of New Jersey) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of New Jersey for the medical marijuana program.

On February 22, 2021, the Governor of New Jersey signed into law an adult-use legalization bill entitled the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," which legalized personal use cannabis for certain adults, subject to State regulations (the "CREAMM Act"). The CREAMM Act provides ATCs specific expanded cultivation rights as well as the right to open up sales to the adult-use marketplace, subject to limited and specified conditions. As it relates to sales into the adult-use marketplace, the CREAMM Act permits ATCs to apply to the Commission for permission to operate as an Expanded ATC, i.e., servicing both the medical and adult-use marketplace, upon the demonstration of meeting the following two conditions:: (1) written approval to operate as an adult-use cannabis establishment from the municipality in which the ATC is located and compliance with said municipality's local zoning restrictions; and (2) the ATC's certification that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products, available to meet the reasonably anticipated needs of registered qualifying conditions. The CREAMM Act also permits ATCs to cultivate from up to two physical locations, provided that the ATC's combined mature cannabis plant grow canopy between both locations does not exceed 150,000 square feet of bloom space.

On August 19, 2021, the Commission approved the first set of rules governing the state's adult-use cannabis program. The rules will allow the CRC to begin licensing cannabis businesses. The rules are effective upon their filing with the state's Office of Administrative Law, until August 19, 2022.Adult-use sales must commence within 1 year of February 22, 2021. On November 23, 2021, the Executive Director of the Commission issued guidance to ATCs on the process for submitting Expanded ATC applications, which the Commission anticipates it will begin accepting for review in December of 2021. Should Columbia Care be awarded an Expanded ATC permit, it would be permitted to cultivate, manufacture, and dispense in the adult-use marketplace.

New Jersey Regulations

ATC permits are awarded by a selection committee that evaluates applicants on the following general criteria: (1) submittal of mandatory organizational information; (2) ability to meet the overall health needs of qualified patients and safety of the public; (3) history of compliance with regulations and policies governing government-regulated marijuana programs; (4) ability and experience of applicant in ensuring an adequate supply of marijuana; (5) community support and participation; (6) ability to provide appropriate research data; (7) experience in cultivating, manufacturing, or dispensing marijuana in compliance with government-regulated marijuana programs; and (8) workforce and job creation plan. Information required to be submitted is wide-ranging, and includes identification information and background checks of principals, employees, directors, and other stakeholders, and evidence of compliance with certain state and local laws and ordinances. Columbia Care was awarded a vertically integrated ATC permit as a result of the result of a 2018 Request for Applications ("2018 RFA"), along with five (5) other applicants selected for final approval for vertically integrated ATC permits by the DOH. The Commission has since approved an additional fourteen (14) ATC permits as part of the 2019 Request for Applications ("2019 RFA"), inclusive of four (4) additional vertically integrated permits, and ten (10) stand-alone cultivation permits.

New Jersey Licenses

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care New Jersey LLC	Operational Permit #02042020	Vineland, NJ & Deptford, NJ	12/31/21	Cultivation, Processing and Dispensing

Permits expire annually on December 31 and require the submittal of a renewal application 60-days prior to the expiration of an ATC permit. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the permit, Columbia Care New Jersey would expect to receive a renewed permit in the ordinary course of business.

New Jersey Dispensary Requirements

ATCs are subject to a number of regulations regarding their policies, procedures, records, and reporting. For example, ATCs must develop oversight procedures; procedures to ensure safe growing and dispensing operations; security policies; inventory protocols; disaster plans; pricing standards; and crime prevention plans and must maintain careful records, including organizational charts; facility documents; supply-and-demand projections; general business records; detailed sales records; and detailed personnel and training records. ATCs must provide substantial training for their employees and must maintain an alcohol and drug-free workplace.

Holders of an ATC permit are subject to a detailed regulatory scheme encompassing: security, staffing, point-of-sale systems, manufacturing standards, hours of operation, delivery, advertising and marketing, product labeling, records and reporting, and more. As with all jurisdictions, the full regulations (N.J.A.C. 8:64 *et seq.*) should be consulted for further information about any particular operational area.

New Jersey Storage, Security, and Transportation Requirements

Each ATC is required to provide effective controls and procedures to guard against theft and diversion of marijuana including, when appropriate, systems to protect against electronic records tampering. With respect to security and inventory protocols, ATCs are required to maintain robust security and alarm systems in good working order; test and inspect such security systems; employ policies to limit unauthorized access to areas containing marijuana; adopt security protocols to protect personnel; minimize exterior access and ensure the exterior of the facility has adequate lighting; and notify the proper authorities of reportable losses, security breaches, alarm activations, and electrical failures. ATCs are required to conduct detailed monthly inventories and an annual comprehensive inventory.

Each ATC must install, maintain in good working order and operate a safety and security alarm system at its authorized physical address(es) that will provide suitable protection 24 hours a day, seven days a week against theft and diversion and that provides, at a minimum: (i) immediate automatic or electronic notification to alert state or local police agencies to an unauthorized breach of security at the alternative treatment center; and (ii) a backup system that activates immediately and automatically upon a loss of electrical support and that immediately issues either automatically or electronic notification to state or local police agencies of the loss of electrical support. ATCs must also implement appropriate security and safety measures to deter and prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and security measures that protect the premises, registered qualifying patients, registered primary caregivers and principal officers, directors, board members and employees of the alternative treatment center. Each ATC must stablish a protocol for testing and maintenance of the security alarm system and conduct maintenance inspections and tests of the security alarm system at the ATC’s authorized location at intervals not to exceed 30 days from the previous inspection and test, and it must promptly implement all necessary repairs to ensure the proper operation of the alarm system. In the event of a failure of the security alarm system due to a loss of electrical support or mechanical malfunction that is expected to last longer than eight hours, an ATC must notify the Department and either provide alternative security measures or close the affected facilities until service is restored. Finally, each ATC must equip its interior and exterior premises with electronic monitoring, video cameras, and panic buttons.

Department Inspections

ATCs are subject to inspection by the Department at any time, with or without notice. ATCs must provide immediate access to all facilities, materials, and information requested by the Department. Failure to cooperate with an onsite assessment and or to provide the Department access to the premises or information may be grounds to revoke the permit of the ATC and to refer the matter to state law enforcement agencies. If a problem is discovered, the ATC must notify the Department in writing, with a postmark date that is within 20 business days of the date of the notice of violations, of the corrective actions the ATC has taken to correct the violations and the date of implementation of the corrective actions.

NEW YORK

New York Regulatory Landscape

In July 2014, the New York Legislature and Governor enacted the Compassionate Care Act (A06357E, S07923) (the "**CCA**") to provide a comprehensive, safe and effective medical marijuana program to meet the needs of New Yorkers. The program allows ten (10) registered organizations ("**Registered Organizations**") to hold vertically integrated licenses and service qualified patients and caregivers. Limited product types are allowed in the state and smoking of cannabis flower is prohibited. The New York State Department of Health ("**NYSDOH**") was the regulatory agency overseeing the medical marijuana program at that time. Columbia Care (through its subsidiary in the State of New York) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of New York.

On March 31, 2021, New York became the 16th state to legalize the adult-use of marijuana with the enactment of Senate Bill S854A, also known as The Marihuana Regulation and Taxation Act (the "**MRTA**"). Under MRTA, the current medical marijuana program is set to undergo several changes. A new Cannabis Control Board, and within it the Office of Cannabis Management (collectively as the "CCB")—an independent agency operating as part of the New York State Liquor Authority—will be responsible for regulating the adult-use marijuana market as well as the existing medical marijuana and hemp cannabinoid programs Board. The list of medical conditions covered under the CCA will be widened to include additional qualifying conditions, medical patients will no longer be restricted from smoking medical marijuana, and the current limit on marijuana supply for medical patients will be doubled. Medical marijuana license holders may also be allowed to double their existing number of dispensaries for up to a total of eight dispensaries, but no more than three of the dispensary locations will be permitted to serve as adult-use marijuana retail stores. The legislation takes effect immediately, though full implementation will not occur until the Cannabis Control Board develops regulations for the adult-use marijuana program. It is currently expected that full implementation could take between 18 months to two years.

New York Licenses

Columbia Care NY LLC, a wholly-owned subsidiary of Columbia Care, holds certificates of registration for manufacturing in Rochester, New York, and for dispensing in Riverhead, Brooklyn, New York (City), and Rochester, New York (collectively, the "**New York Licenses**"). Pursuant to the CCA and Medical Use of Marihuana Regulations (Title 10, Chapter XIII, Part 1004) by the NYSDOH, the New York Licenses collectively permit Columbia Care NY LLC to acquire, possess, manufacture, sell, transport, distribute, and dispense medical cannabis in the State of New York. The table lists the licenses issued to Columbia Care NY LLC in respect of its operations in New York.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care NY LLC	MM0301M	Rochester, NY	07/31/23	Cultivation and Manufacturing
Columbia Care NY LLC	MM0307M	Riverhead, NY	07/31/23	Cultivation and Manufacturing
Columbia Care NY LLC	MM0302D	New York, NY	07/31/23	Dispensary
Columbia Care NY LLC	MM0303D	Riverhead, NY	07/31/23	Dispensary
Columbia Care NY LLC	MM0306D	Brooklyn, NY	07/31/23	Dispensary
Columbia Care NY LLC	MM0305D	Rochester, NY	07/31/23	Dispensary
Columbia Care NY, LLC	New York Department of Health - Controlled Substances License No. 0100220	Rochester, NY	03/05/23	Class 1 Manufacturer – Controlled Substances
Columbia Care NY, LLC	New York Department of Health - Controlled Substances License No. 10000105	Rochester, NY	05/16/23	Class 10 Exporter
Columbia Care Industrial Hemp LLC	HEMP-P-000069	Rochester, NY	04/30/22	Industrial Hemp Processor

The New York Licenses are renewed every two years. Before the two-year period ends, licensees are required to submit a renewal application per guidelines published by the NYSDOH. While renewals are granted every two years, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Columbia Care NY LLC would expect to receive the applicable renewed license in the ordinary course of business.

New York Regulations

The New York Licenses permit the sale of medical cannabis products to any qualified patient who possess a physician's recommendation. Under the terms of the New York Licenses, Columbia Care NY LLC is permitted to sell NYSDOH approved medical marijuana manufactured products to any qualified patient, provided that the patient presents a valid government-issued photo identification and NYSDOH-issued registry identification card proving the patient or designated caregiver meets the statutory conditions to be a qualified patient or designated caregiver. Registry identification cards are valid for one year after the date the certification is signed. The card contains the recommendation from the physician and the limitation on form or dosage of medical marijuana.

For a physician to recommend medical marijuana, the physician must pay for and pass a four-hour NYSDOH approved physician certification training program. The content of the course includes: "pharmacology of marijuana; contraindications; side effects; adverse reactions; overdose prevention; drug interactions; dosing; routes of administration; risks and benefits; warnings and precautions; abuse and dependence; and such other components as determined by the commissioner." The CCB recently expanded this pool of recommending physicians by identifying that any practitioner who has a license to prescribe controlled substances may certify medical marijuana patients.

In order for a patient or registered caregiver to receive dispensed marijuana, they must be logged into the Prescription Monitoring Program ("**PMP**") registry. The PMP registry is monitored by the NYSDOH and contains controlled substance prescription dispensing history and medical marijuana dispensing history to ensure that patients only receive a maximum of 30-days-worth of dispensed product from one Registered Organization. Only registered pharmacists can dispense medical marijuana to approved patients and caregivers.

Allowable forms of medical marijuana in New York State are the following: flower, metered liquid or oil preparations, solid and semisolid preparations (e.g. capsules, chewable and effervescent tablets, lozenges), metered ground plant preparations and topical forms and transdermal patches.

Medical marijuana may not be incorporated into food products by the Registered Organization, unless approved by the CCB.

Qualifying conditions in the state of New York are the following: cancer, HIV infection or AIDS, amyotrophic lateral sclerosis (ALS), Parkinson's disease, multiple sclerosis, spinal cord injury with spasticity, epilepsy, inflammatory bowel disease, neuropathy, Huntington's disease, certain types of severe debilitating pain, pain that degrades health and functional capability where medical marijuana is used as an opioid alternative, substance use disorder, or post- traumatic stress disorder. The severe debilitating or life-threatening condition must also be accompanied by one or more of the following associated or complicating conditions: cachexia or wasting syndrome, severe or chronic pain resulting in substantial limitation of function, severe nausea, seizures, severe or persistent muscle spasms, post- traumatic stress disorder, or opioid use disorder.

In the state of New York, only cannabis that is grown and manufactured in the state can be sold in the state. New York is a vertically integrated system; however, it does allow Registered Organizations to wholesale manufactured product to one another. As such, Columbia Care NY LLC is vertically integrated and has the capabilities to cultivate, harvest, process, transport, sell, and dispense cannabis products. Delivery is allowed from dispensaries to patients, however the delivery plan must be pre-approved by the NYSDOH. Columbia Care NY LLC obtained approval for its delivery plan in February 2017 and utilizes its 70% owned subsidiary, CC Logistics Services LLC, to provide home delivery services throughout the state.

New York Dispensary Requirements

A qualified pharmacist must be present at a dispensary whenever medical marijuana products are being dispensed or handled. Dispensing facilities can only sell approved medical marijuana products, related products necessary for the approved forms of administration of medical marijuana, and items that promote health and well-being subject to disapproval of the department and only in such a manner as does not increase risks of diversion, theft or loss of approved medical marijuana products or risk physical, chemical or microbial contamination or deterioration of approved medical marijuana products.

No medical marijuana products may be consumed at a dispensary. Dispensaries must maintain patient confidentiality, including by keeping security footage secure. Dispensaries must affix a label to each medical marijuana product which (1) identifies the patient and caregiver (if any); (2) contains the name of the certifying practitioner, (3) identifies the dispensary name, address, and phone number; (4) provides the dosing and administration instructions; (5) gives the quantity and date dispensed; (6) lists any recommendation or limitation by the practitioner as to the use of medical marijuana; and (7) includes the expiration date of the product once opened. Each package must also include a safety insert approved by NYSDOH and/or CCB.

New York Reporting Requirements

The state of New York has selected BioTrackTHC's solution as the state's T&T system used to track commercial cannabis activity and seed-to-sale. The BioTrackTHC system is required to serve as all Registered Organizations' patient verification system but is optional as the Registered Organization facing tracking system. Columbia Care NY LLC currently uses ADILAS Cannabis software as its inventory control system, and also uses BioTrackTHC on a limited basis. ADILAS is a robust system that enables users to track and generate inventory reports on demand with almost unlimited parameters and filters. While certain features of the system are available on the open market, Columbia Care's proprietary modifications have optimized its functionality to respond to the unique requirements of a highly regulated medical marijuana program, such as New York's.

Every month the NYSDOH requests a dispensing report in Excel format, via email, showing the products dispensed for the month. This is the only report Columbia Care NY LLC is required to submit to the NYSDOH. All other data is pulled by the NYSDOH directly from Columbia Care NY LLC's seed-to-sale tracking system.

New York Storage, Transportation and Security Requirements

Registered Organizations must comply with a range of storage and security measures designed to ensure the safety and security of the cannabis business premises and to maintain adequate controls against the diversion, theft, and loss of cannabis or cannabis products. Among other obligations, Registered Organizations are required to maintain a security operations plan that includes: an alarm system; motion detectors; video cameras in areas that may contain marijuana; exportable video recordings that Columbia Care must retain for 90 days and make available to the NYSDOH; measures to ensure adequate lighting; and other security measures. Registered Organizations must work to ensure that manufacturing and dispensing facilities maintain all security system equipment and recordings in a secure location with access limited to surveillance personnel, law enforcement, security system service employees, the NYSDOH or its authorized representative, and others when approved by the NYSDOH. Security equipment must be kept in working order and periodically tested.

Marijuana must be stored in a secure area accessible to a minimum number of employees to prevent diversion, theft, loss, and contamination or deterioration of the product. Approved safes, vaults or any other approved equipment or areas used for the manufacturing or storage of marijuana and approved medical marijuana products must be securely locked or protected from entry, except for the actual time required to remove or replace marijuana or approved medical marijuana products.

Prior to transporting medical marijuana, Registered Organizations must complete a shipping manifest using a form determined by the NYSDOH. A copy of the shipping manifest must be transmitted to the destination that will receive the products and to the NYSDOH at least two Business Days prior to transport unless otherwise expressly approved by the NYSDOH. In this regard, the Registered Organization must maintain shipping manifests and make them available to the NYSDOH for inspection upon request, for a period of 5 years. Approved medical marijuana products must be transported in a locked storage compartment that is part of the vehicle transporting the marijuana and in a storage compartment that is not visible from outside the vehicle. Employees, when transporting approved medical marijuana products, travel directly to their destination(s) and may not make unnecessary stops in between. Delivery times must be randomized, transportation vehicles must be staffed by at least two employees, and a copy of the shipping manifest must be on hand while transporting or delivering approved medical marijuana products.

NYSDOH Inspections

All registered organizations must make their books, records, and facilities available to NYSDOH for monitoring, on- site inspection, and audit purposes, including but not limited to periodic inspections and evaluations. If a problem is found by NYSDOH, the registered organization must submit a plan of correction within 15 days.

New York Hemp

The CCB also has regulatory authority over New York's industrial hemp program. That program creates a licensing regime for growers, processors, retailers, and of industrial hemp and hemp cannabinoid products, and subjects such licensees to recordkeeping, product-quality testing, transportation, disposal, and security requirements. The CCB has authority to inspect a registered premises as often and to the extent necessary to ensure compliance with hemp laws and regulations.

OHIO

Ohio Regulatory Landscape

House Bill 523, effective on September 8, 2016, legalized medical marijuana in Ohio. The Ohio Medical Marijuana Control Program ("**MMCP**") allows people with certain medical conditions, upon the recommendation of an Ohio- licensed physician certified by the State Medical Board, to purchase and use medical marijuana. House Bill 523 required that the framework for the MMCP would be in place no later than September 2018. This timeframe allowed for a deliberate process to ensure the safety of the public and to promote access to a safe product. Sales of medical marijuana in Ohio began in January 2019.

The following three state government agencies are responsible for the operation of the MMCP: (i) the Ohio Department of Commerce is responsible for overseeing medical marijuana cultivators, processors and testing laboratories; (ii) the State of Ohio Board of Pharmacy is responsible for overseeing medical marijuana retail dispensaries, the registration of medical marijuana patients and caregivers, the approval of new forms of medical marijuana and coordinating the Medical Marijuana Advisory Committee; and (iii) the State Medical Board of Ohio is responsible for certifying physicians to recommend medical marijuana and may add to the list of qualifying conditions for which medical marijuana can be recommended. Qualifying medical conditions for medical marijuana include: HIV/AIDS, Lou Gehrig's disease, Alzheimer's disease, Cancer, Chronic traumatic encephalopathy, Crohn's disease, epilepsy or other seizure disorder, fibromyalgia, glaucoma, hepatitis C, inflammatory bowel disease, multiple sclerosis (MS), pain (either chronic, severe, or intractable), Parkinson's disease, PTSD, sickle cell anemia, spinal cord disease or injury, Tourette's syndrome, traumatic brain injury, ulcerative colitis. In order for a patient to be eligible to obtain medical marijuana, a physician must make the diagnosis of one of these conditions. The Board of Pharmacy is in the process of revising its regulations for dispensaries, for the forms and methods for administering medical marijuana, and for patients and caregivers.

Several forms of medical marijuana are legal in Ohio, these include: inhalation of marijuana through a vaporizer (not direct smoking), oils, Tinctures, plant material, edibles, patches and any other forms approved by the State Board of Pharmacy. On November 18, 2021, the Ohio Board of Pharmacy closed its Request for Applications process to solicit applications for up to 73 new dispensary licenses. It is expected that the Board of Pharmacy will award these new dispensary licenses in early 2022.

Columbia Care (through its subsidiary in the State of Ohio) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of Ohio.

Licenses in the State of Ohio

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care OH LLC	Certificate of Operation #MMCPC00024	Mount Orab, OH	07/01/22	Certificate of Operation to Cultivate Medical Marijuana
Columbia Care OH LLC	Certificate of Operation #MMCPP00134	Mount Orab, OH	02/19/22	Certificate of Operation to Package, Sell, and Deliver Finished Medical Marijuana Plant Material
Cannascend Alternative LLC, dba Columbia Care	Medical Marijuana Dispensary Certificate of Operation #MMD.0700073	Dayton, OH	07/01/23	Medical Marijuana Dispensary Certificate of Operation
Cannascend Alternative Logan, LLC dba Columbia Care	Medical Marijuana Dispensary Certificate of Operation #MMD.0700071	Logan, OH	07/01/23	Medical Marijuana Dispensary Certificate of Operation

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Cannascend Alternative LLC dba Columbia Care	Medical Marijuana Dispensary Certificate of Operation #MMD.0700072	Monroe, OH	07/01/2023	Medical Marijuana Dispensary Certificate of Operation
Cannascend Alternative LLC dba Columbia Care	Medical Marijuana Dispensary Certificate of Operation #MMD.0700070	Marietta, OH	07/01/2023	Medical Marijuana Dispensary Certificate of Operation
Corsa Verde LLC	Certificate of Operation #MMCPP00039	Columbus, OH	12/12/2021	Certificate of Operation to Process Medical Marijuana
Green Leaf Medical of Ohio II, LLC	Medical Marijuana Dispensary Certificate of Operation #MMD.0700074	Warren, OH	07/01/2023	Medical Marijuana Dispensary Certificate of Operation

Ohio Operating Requirements

Cultivators must establish, maintain, and comply with the policies and procedures contained in the operations plans submitted as part of their applications. Operations plans must include policies and procedures for the production, storage, inventory, and transportation of medical marijuana. At a minimum, such plans must: (1) designate areas in the facility that are compartmentalized based on function, such as the marijuana cultivation area, with restricted access between the different areas of the facility; (2) implement policies and procedures that provide best practices for secure and proper cultivation of medical marijuana, which includes restricted movement between the different production areas by personnel based on access credentials assigned by the facility; (3) document the chain for all medical marijuana in the inventory tracking system; (4) establish a standard for the facility to be maintained in a clean and orderly condition, which includes free from infestation by rodents, insects, birds, and other animals of any kind; and (5) maintain a facility with adequate lighting, ventilation, temperature, sanitation, equipment and security for the safe and consistent cultivation of medical marijuana. Cultivators must also submit and maintain a quality control plan, and they are limited to the use of pesticides, fertilizers, and other chemical approved by the Department of Commerce. Moreover, cultivators are subject to recordkeeping and reporting requirements regarding their use of such chemicals.

Cultivators must maintain their facilities according to certain standards. All floors and benches must be free of debris, dust, and any other potential contaminants. Cultivators must remove dead and unusable plant parts from the marijuana cultivation area, and control rodents and other non-plant related pests. In maintaining their facilities, cultivators may only use chemicals, cleaning solutions, and other sanitizing agents approved for use around vegetables, fruit, or medicinal plants and must store them in a manner that protects against contamination. Cultivators must keep their equipment in a clean, professional environment and maintain cleaning and equipment maintenance logs at their facilities. Scales, balances, or other weight and/or mass measuring devices must be routinely calibrated using “National Institute of Standards and Technology” (NIST)-traceable reference weights, at least once each calendar year, by an independent third party approved by the Department of Commerce. The water supply for each cultivation center must be derived from a source that is a regulated water system or a private water supply and must meet the needs of the cultivator. Each cultivator must implement policies and procedures related to receiving, inspecting, transporting, segregating, preparing, packaging, and storing medical marijuana in accordance with adequate sanitation principles. The disposal of undesired, excess, unauthorized, obsolete, adulterated, misbranded or deteriorated medical marijuana waste is subject to a specific set of procedures set forth in OAC 3796:2-2-03.

Cultivators may not sell marijuana to patients or caregivers, nor may they permit the consumption of marijuana on their premises. A cultivator may not grow a prohibited form of marijuana that is not registered and approved by the state of Ohio Board of Pharmacy pursuant to section 3796.061 of the Revised Code. A cultivator must not produce or maintain medical marijuana in excess of the quantity required for normal, efficient operation based on patient population and consumption reported in the inventory tracking system. A cultivator may not amend or otherwise change its approved operations plan, quality assurance plan, or cultivation or production techniques, unless written approval is obtained from the Department of Commerce, and a cultivator may not change the use or occupancy of the facility unless the Department of Commerce is notified of and provides prior written approval of such changes. A cultivator shall not sell plant material that exceeds thirty-five per cent THC content as defined in OAC 3796:1-1-01. Finally, a licensed cultivator may not directly or indirectly discriminate in price between different processor or dispensary facilities that are purchasing a like grade, strain, brand, quality, and quantity of medical marijuana.

Ohio Reporting Requirements

Ohio uses the METRC system as its seed-to-sale tracking system. Licensees are required to use METRC to push data to the state to meet all of the reporting requirements. When Columbia Care Ohio LLC is operational, it intends to implement its tracking system to comply with the state's tracking and reporting requirements.

Ohio Storage, Transportation, and Security Requirements

The regulations permit Columbia Care OH LLC to store medical marijuana inventory at its cultivation facility in a designated, enclosed, locked facility identified in its plans and specifications that it submitted to the Ohio Department of Commerce. This storage area can only be accessible by authorized individuals. On an annual basis and as a condition to renewal of its cultivator license, Columbia Care OH LLC must perform a physical, manual inventory, of the medical marijuana on hand and compare it to the annual report generated by the inventory tracking system. The cultivation facility must install a commercial grade security alarm system to prevent and detect diversion, theft, or loss. The facility also must maintain surveillance equipment to capture the entire facility and provide direct access to the regulator on a real-time basis. This equipment must be kept in good working order and inspected and tested on an annual basis by a third party.

Prior to transporting any medical marijuana, regardless of form, a medical marijuana entity must maintain a transportation log, in writing, that contains the following information: (1) the names and addresses of the medical marijuana entities sending and receiving the shipment; (2) the names and registration numbers of the registered employees transporting the medical marijuana or the products containing medical marijuana; (3) the license plate number and vehicle type that will transport the shipment; (4) the time of departure and estimated time of arrival; (5) the specific delivery route, which includes street names and distances; and (6) the total weight of the shipment and a description of each individual package that is part of the shipment, and the total number of individual packages. A copy of this log must be sent to the receiving entity before the close of business on the business day prior to transport. A copy of the log must also be in the vehicle at all times while it is transporting medical marijuana products. All such logs must be maintained and provided to law enforcement upon request.

Vehicles used to transport marijuana must be insured as required by law and staffed with a minimum of two registered employees, with at least one employee remaining with the vehicle at all times that the vehicle contains medical marijuana. The marijuana must be kept in a locked container or compartment, and it must not be visible from outside the vehicle. The vehicle must be unmarked. Any vehicle transporting medical marijuana or any product containing medical marijuana must travel directly from the sending medical marijuana entity to the receiving medical marijuana entity and shall not make any stops in between except to other medical marijuana entities listed on the transportation log, to refuel the vehicle, or to notify the medical marijuana entities, the department and law enforcement in the event of an emergency. In the event of an emergency, the employees must report the emergency immediately to law enforcement through the 911 emergency system and to the medical marijuana entities, which will immediately notify the appropriate regulatory authorities, unless the notification is impractical under the circumstances. The employees must notify the sending medical marijuana entity when the delivery has been completed.

Department of Commerce Inspections

The Ohio Department of Commerce may, at any time it determines an inspection is needed, with or without notice, conduct an inspection of a cultivator to ensure compliance with the facility's application and state laws and regulations. An inspection of a cultivator may include, without limitation, investigation of standards for safety from fire on behalf of the department by the local fire protection agency. If a local fire protection agency is not available, the division of state fire marshal may conduct the inspection after the cultivator pays the appropriate fee to the division of state fire marshal for such inspection. If a problem is detected during an inspection, the cultivator must produce a plan of correction within ten business days.

PENNSYLVANIA

Pennsylvania Regulatory Landscape

The Pennsylvania medical marijuana program was signed into law on April 17, 2016 under Act 16 and provided access to state residents with one of 17 qualifying conditions, including epilepsy, chronic pain, and PTSD. The state, which consists of over 12 million U.S. citizens and qualifies as the fifth largest population in the US, operates as a high- barrier market with very limited market participation. The state originally awarded only 12 licenses to cultivate/process and 27 licenses to operate retail dispensaries (which entitled holders to up to three medical dispensary locations).

On March 22, 2018, it was announced that the final phase of the Pennsylvania medical marijuana program would be initiated, which would include the issuance of 13 additional cultivation/processing licenses and 23 additional dispensary licenses. This application period ran from April 2018 through May 17, 2018. The Pennsylvania Department of Health announced the results of the application period, granting 23 new dispensary permits and 13 grower/processor permits across six regions of the state, on December 18, 2018.

In the introductory months of the program, Pennsylvania's medical marijuana dispensaries experienced supply shortages that rendered the market unable to keep up with demand. It was announced on April 17, 2018 that dry flower would be included in the regulations as an approved product form for sale and consumption (in addition to the already approved forms of concentrates, pills, and tinctures). Simultaneously, it was announced that the list of qualifying conditions would expand from 17 to 21, including additions of cancer remission therapy and opioid-addiction therapy. In July of 2019, the Pennsylvania Department of Health expanded the list of qualifying medical conditions to include anxiety disorders and Tourette syndrome, increasing the number of qualifying conditions to 23.

On March 5, 2021, the Department of Health proposed permanent regulations relating to medical marijuana, replacing the temporary regulations governing the program through its history. These proposed regulations are in substantially the same form as the temporary regulations, with only a few distinctions. One proposed revision identifies that a medical marijuana organization's change in ownership without the Department's knowledge and written approval of all individuals affiliated with the medical marijuana organization would be a violation of the act and proposed rules. The proposed regulations also require dispensaries and grower/processors to supplement ongoing reports to the Department with information related to the average price per unit of medical marijuana products sold, as opposed to the per-dose price. The proposed rules also augment the list of reasons for which the Department may suspend or revoke a medical marijuana organization's permit by adding falsification of information on any applications submitted to the Department. The proposed regulations also address training, identifying that principals, as well as employees, who have direct contact with patients or caregivers or who physically handle medical marijuana plants, seeds and products must also complete a training.

Additionally, the Pennsylvania Department of Agriculture administers an Industrial Hemp Research Pilot Program, as permitted by the federal Industrial Hemp Research Act of 2016 (P.L. 822, No. 92). As it is allowed to do under the 2018 Farm Bill, the Commonwealth of Pennsylvania will submit a regulatory plan to the U.S. Department of Agriculture program to administer a larger Industrial Hemp Program, including licensing the cultivation of hemp, as defined by federal law, for interstate commercial purposes. In January of 2019, the Pennsylvania Department of Agriculture lifted its 100-acre acreage cap on permitted hemp cultivators to grow unlimited acreage on locations approved under pre-existing permits.

Columbia Care (through its subsidiary in the State of Pennsylvania) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of Pennsylvania.

Pennsylvania Licenses

Under applicable laws, the license permits Columbia Care to purchase marijuana and marijuana products from cultivation/processing facilities, and to sell marijuana and marijuana products to registered patients pursuant to the terms of the license. The license is issued by the Pennsylvania Department of Health (the **"Department"**) under the provisions of the Medical Marijuana Act (35 P.S. §§ 10231.101—10231.2110) and Chapters 1141, 1151 and 1161 of the Pennsylvania regulations. The license is, as of the date hereof, active with the Commonwealth of Pennsylvania.

All dispensaries must register with the Department. Registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. Renewal requests are typically communicated through email and include a renewal form. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Columbia Care would expect to receive the applicable renewed license in the ordinary course of business.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Pennsylvania LLC	Permit D-2009- 17	Allentown, PA Scranton, PA Wilkes-Barre, PA	06/29/22	Dispensary
Green Leaf Medicals, LLC	Permit GP-18-3005	Saxton, PA	7/31/21	Grower Processor

Pennsylvania Dispensary Requirements

In order to maintain its permit, a dispensary must continue to meet all of the qualifications for obtaining such permit. Dispensaries must purchase marijuana only from authorized growers and processors. They may sell devices related to the use of medical marijuana, but only with the Department's prior written approval. Dispensaries must require a valid identification card from each patient or caregiver and verify it via electronic tracking system before dispensing any product. A dispensary may not dispense (1) a quantity of marijuana greater than the amount indicated on a patient's certification, (2) a form or dosage of product that is listed as a restriction or limitation on the patient certification, (3) or a form of medical marijuana product which is not permitted by law or regulation. Dispensaries cannot dispense more than a 30-day supply at one time, and they must wait until the patient has exhausted all but a 7-day supply before providing a refill. Moreover, dispensaries are subject to certain advertising and promotional restrictions.

Dispensaries must maintain their facilities in sanitary condition. Generally, employees working in direct contact with medical marijuana products must comply with the food-handling regulations of Pennsylvania. Employees and visitors must have access to adequate hand-washing facilities and sanitary lavatories.

Dispensaries may not employ individuals under the age of eighteen. A dispensary may not permit a patient to self- administer medical marijuana products at the facility unless the patient is also an employee of the dispensary, and the dispensary permits self-administration of medical marijuana products at the facility by the employees.

Pennsylvania Reporting Requirements

The Commonwealth of Pennsylvania uses MJ Freeway as the state's computerized T&T system for seed-to-sale. Individual licensees are required to use MJ Freeway to push data to the state to meet all reporting requirements. Columbia Care Pennsylvania LLC integrates its in-house software with the state's MJ Freeway program to capture the data points required by the Pennsylvania medical marijuana laws and regulations.

Pennsylvania Storage, Transportation, and Security Requirements

The regulations require a dispensary to have a locked limited access area for the storage of medical marijuana that is expired, damaged, deteriorated, mislabeled, contaminated, recalled or whose containers or packages have been opened or breached until such product is returned to the grower/processor.

Columbia Care Pennsylvania LLC must have a security system with professional monitoring, 24-hours a day and seven days a week, and fixed cameras on the interior and exterior of the facilities. The surveillance system must store data for a period of four years in a readily available format for investigative purposes.

Unless otherwise approved by the Department, a dispensary may deliver medical marijuana products to a medical marijuana organization only between 7 a.m. and 9 p.m. for the purposes of transporting medical marijuana products among the permittee's dispensary locations and returning medical marijuana products to a grower/processor. Dispensaries may not transport medical marijuana products outside of Pennsylvania, and they must use a global positioning system to ensure safe, efficient delivery of the medical marijuana products to a medical marijuana organization. Dispensaries may not offer delivery of medical marijuana. Dispensaries must have an enclosed, secure area out of public sight for the loading and unloading of medical marijuana products into and from a transport vehicle.

All vehicles used in the transport of marijuana must be unmarked and equipped with a secure lockbox or locking cargo area. Products must be appropriately packaged and labeled. If transporting perishable medical marijuana products, they must be temperature controlled. They must display current inspection stickers and be insured for a commercially reasonable amount. Each vehicle must be staffed with at least two people while transporting marijuana, with at least one team member remaining in the vehicle at all times. Each team member must have access to a secure form of communication with the dispensary and have a valid driver's license. Team members must not wear clothing or symbols related to marijuana, and they must carry an identification badge or card at all times and produce it to law enforcement upon request. The team must also carry a transportation manifest and provide a copy to the recipient of the medical marijuana products.

Department Inspections

The Department may conduct announced or unannounced inspections or investigations to determine the medical marijuana organization's compliance with its permit and all relevant laws and regulations. Such inspection or investigation may include (1) inspection of a medical marijuana organization's site, facility, vehicles, books, records, papers, documents, data, and other physical or electronic information; (2) questioning of employees, principals, operators, financial backers, authorized agents of, and any other person or entity providing services to the medical marijuana organization; and (3) inspection of a grower/processor facility's equipment, instruments, tools and machinery that are used to grow, process and package medical marijuana, including containers and labels. Failure to provide immediate access to any of the materials, information, or individuals listed above may result in the imposition of a civil monetary penalty, suspension or revocation of the medical marijuana organization's permit, or an immediate cessation of its operations pursuant to a cease-and-desist order issued by the Department.

PUERTO RICO

Puerto Rico Regulatory Landscape

Puerto Rico's medical marijuana program is governed by the Medical Cannabis Act, 24 L.P.R.A. § 2621 *et seq.* (the "**PR Act**"), and by regulations promulgated by the Medical Cannabis Regulatory Board (the "**MCR Board**"), Regulation No. 9038, July 2, 2018. The program allows for the medical administration of cannabis in private locations when the use is recommended by an authorized physician. Smoking medical marijuana, which does not include vaporizing, remains prohibited. The MCR Board has authorized physicians to prescribe medical cannabis for a "bona fide" medical condition not otherwise prohibited by the regulations or the PR Act, as determined by a physician, provided that patients who are prescribed medical marijuana must register with the MCR Board and provide a MCR Board-issued identification to obtain medical marijuana.

The Medical Cannabis Act authorizes the MCR Board to create licensing regimes for – among other entities – cultivation centers, dispensaries, and manufacturing facilities. Licensees of separate types of licenses are only permitted to engage in the specific licensing activity for which they are granted a license.

Columbia Care (through its subsidiary in Puerto Rico) is in compliance with applicable licensing requirements and the regulatory framework enacted by Puerto Rico.

Puerto Rico License Requirements

Applicants for manufacturing, cultivation, and dispensing licenses are subject to stringent measures designed to guarantee the safety of patients, the community, and persons participating in the medical cannabis industry. Specifically, applicants must demonstrate, among other things, the following:

- Those seeking a license for dispensaries must fulfill 17 different licensing requirements, including forms and supplementary materials required by the MCR Board; evidence that the applicant is at least 21 years old; a copy of identification for each owner with at least 5% interest; evidence that at least 51% of the ownership capital originates in Puerto Rico; background check information concerning each owner with at least 5% interest; evidence that the applicant has not been convicted of a felony relating to the possession, distribution, manufacture, cultivation or use of a controlled substance; evidence that the applicant has the financial capacity to operate each establishment for which it applies for a period of twelve months; certified copy of a criminal record submitted by the Puerto Rico police; certified copy of "no debt" from the Puerto Rico Department of Treasury; certification of "no debt" from the Municipal Revenue Collection Center; a partnership agreement; a zoning map demonstrating the dispensary will not be within a 100 meter radius of a school; evidence of ownership; submit a request to do business as a registered merchant; a detailed plan of the establishment; financial projections and a break even analysis; and payment of the requisite fees.
- In addition to the licensing requirements listed above, those seeking a cultivation license must fulfill the following requirements: a certificate of compliance with good agricultural practice or its equivalent approved by the Puerto Rico Department of Agriculture; evidence of having taken a course of good agricultural practices. In addition, establishments must follow good cultivation practices and maintain standard operational procedures to protect and guarantee quality; structures that cultivate indoors should be in a closed space with rigid walls without windows to avoid visibility indoors; access must be limited; they must be available for inspection; and must be surrounded by a double fence.
- In addition to the licensing requirements listed above, those seeking a manufacturing license must fulfill the following requirements: they must follow best manufacturing practices provided for in Title 21 of the Code of Federal Regulations; have a current certificate for food hygiene from the Assistant Secretary of Environmental Health; evidence of having taken a course on food security; limitations on access to the areas of manufacture, inventory, and loading; and the establishment of processes and standards detailed for each product manufactured.

As described in the "License" section below, Columbia Care Puerto Rico LLC, holds letters of prequalification from the MCR Board, but does not yet hold licenses to operate the prequalified facilities. Provided that the requisite application fees are paid, the applications are submitted in a timely manner, and there are no material deviations from the MCR Board's application requirements, Columbia Care Puerto Rico LLC would expect to receive the applicable licenses in the ordinary course of business. While Columbia Care's compliance controls have been developed to mitigate the risk of any material deviations from an application requirement, there is no assurance that the Puerto Rico licenses will ultimately be granted.

Puerto Rico Licenses

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Puerto Rico LLC	Medical Cannabis Establishment License #CM-2019-164	San Juan, PR	07/30/21 (renewal pending)	Dispensary License
Columbia Care Puerto Rico LLC	Medical Cannabis Establishment License #CM-2020-212	Ponce, PR	02/25/21 (renewal pending)	Dispensary License

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Puerto Rico LLC	Medical Cannabis Establishment License #CM-2020-217	Cidra, PR	03/03/21 (renewal pending)	Cultivation License (area up to 10,000 square feet)
Columbia Care Puerto Rico LLC	Medical Cannabis Establishment License #CM-2020-218	Cidra, PR	03/03/21 (renewal pending)	Manufacturing License (area up to 5,000

Licenses expire within one year. A renewal application must be submitted 30 days prior to the expiration of the current registration certificate. With respect to the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, Columbia Care Puerto Rico LLC would expect its future anticipated licenses to be renewed in the ordinary course of business.

Puerto Rico Dispensary Operational Requirements

Only authorized patients may purchase marijuana and may only use such products in the privacy of their homes and in authorized locations. Marijuana may not be used in a commercial facility. Marijuana may not be sold to someone without a valid license to purchase. No more than 2.5 ounces of marijuana in a product may be sold during a transaction.

A dispensary may not purchase more than 30% of its supply from another licensed dispensary, nor may a licensed dispensary sell more than 30% of its supply to another licensed dispensary.

License holders must maintain a “Seed to Sale Tracking System,” which must include a complete and precise registry of the materials used in the production of marijuana products. An administrator must be appointed to maintain the system. Use of the system must be limited to those with a valid occupational license. There must be an alert system to track completion, and the license holder must resolve outstanding questions.

Puerto Rico Security, Transportation, and Storage Requirements

Puerto Rican regulations mandate various security requirements, including the following:

- A dispensary must be a building with two places of access, one in the front and one in the side or the back. There must be an administrative system with strict controls over lists of qualified patients. This area must be separate from where inventory is located, and these areas must be separate from where product is sold. There must also be a separate waiting area at the front of the building near the street. The loading area must also be separate and inaccessible to the public.
- Dispensaries must have security and alarm systems to track unauthorized entrance outside of working hours. There must also be an electronic surveillance system to account for theft and similar conduct, with multiple different kinds of alarms.
- There must be no fewer than one security guard at a dispensary, 24 hours per day. The security guard permits access to the facility.

- Those in limited access areas must be able to provide evidence of the appropriate license provided by the licensing board at any time, as well as their own individual identification card. The license provided by the board may not be tampered with or altered in any way.
- Visitors to a facility with limited access must obtain a visitor identification card and display it in a manner visible to others. Such visitors must be escorted at all times in a limited access area, and the license holder must maintain a registry of visitors.
- Specific and detailed requirements on the marking of exits and entrances to and from a limited access area.

With regard to transportation, all transportation of marijuana must be accompanied by a manifest approved by the Department of Health with specific information, including the name of the registered distributing entity, the name of the registered establishment receiving the product, a description of the route taken, and the name of the vehicle driver. Each manifest must be maintained for two years. Only those licensed by the division may be authorized to transport product. Vehicles used for transportation must be duly licensed under Puerto Rican motor vehicle law.

With regard to storage, marijuana may only be stored by a licensee in a licensed establishment, or in an otherwise approved location (and such approved location may only be used for the storage of marijuana). A license holder may only store marijuana that belongs to the license holder's inventory.

Puerto Rico Department Inspections

All facilities subject to license are subject to inspection, as are all required documents. Inspectors have the right pursuant to an order of an inspection to inspect facilities and documents upon announcement and provision of proper identification to the license holder, under the limitations of an inspection order and using reasonable means. Inspectors are permitted to take chemical samples and inventory lists. Inspectors are not permitted to inspect financial or price information.

UTAH

Utah Regulatory Landscape

On December 3, 2018, Utah lawmakers passed House Bill 3001: Utah Medical Cannabis Act (the "**UT Act**"). The Utah Act directs the Utah Department of Health (the "**Utah Department**") to issue medical cannabis cards to patients, register medical providers who wish to recommend medical cannabis treatment for their patients, and license medical cannabis pharmacies. Covered medical conditions include HIV/AIDS, ALS, cancer, cachexia, persistent nausea, Chron's disease, epilepsy, multiple sclerosis, PTSD that is being treated and monitored by a licensed therapist, autism, certain terminal illnesses, and certain other rare conditions and diseases. The Act and subsequent amendments thereto authorized the Department to license and regulate up to 14 private entities to dispense medical cannabis products through medical cannabis pharmacies. The Utah Department has issued regulations governing medical cannabis pharmacies' operations. The UT Act also grants the Department of Agriculture and Food regulatory authority over medical marijuana cultivators and processors. Effective July 1, 2021, all Utah medical cannabis cardholders are required to purchase their products from a Utah medical cannabis pharmacy. Out of state purchases and possession of medical cannabis are no longer permitted.

On January 3, 2020, the Department announced its intent to award 14 medical cannabis pharmacy licenses to companies selected from over 130 applicants. Columbia Care was selected to open a medical cannabis pharmacy in Springville, Utah, which is located just south of Provo. Columbia Care (through its subsidiary in the State of Utah) is in compliance with applicable licensing requirements and the regulatory framework enacted by the State of Utah. Additionally, Utah law required the 15th pharmacy license to be given to a business located in specific rural counties. On November 18, 2021, the Department awarded the state's 15th medical cannabis pharmacy license to an existing Utah medical cannabis pharmacy operator that will open its facility in Price, Utah.

Additionally, in 2014, the Utah legislature passed the Hemp and Cannabinoid Act (the "**UT Hemp Act**") pursuant to the 2014 Farm Bill, which created the framework for legalized industrial hemp in Utah. The UT Hemp Act created a pilot program for hemp. Utah's 2019 amendments to the UT Hemp Act expanded the scope of the state's hemp program. In 2020, Utah amended the UT Hemp Act once again and directed the Utah Department of Agriculture and Food ("**UDAF**") to develop a state industrial hemp production plan. In 2020, the U.S. Department of Agriculture approved the Utah Industrial Hemp Production Plan.

Under the UT Hemp Act, an individual or entity cultivating or processing industrial hemp must obtain an industrial hemp producer license. The industrial hemp production plan subjects licensees to several regulatory requirements. These include grower area requirements and reporting requirements; submission to inspection, sampling, and testing by UDAF to ensure the hemp has a permissible THC level of under 0.3%; storage requirements; and destruction processes. Intentional violations of the UT Hemp Act or UDAF's rules, as well as repeated negligent violations, may result in loss of license.

Utah License Requirements

The Department announced its plans to award the 14 medical cannabis pharmacy licenses across four regions of the state. Columbia Care applied for a license in Region 3, which encompasses Utah County, where Springville is situated. The application process required Columbia Care to pay an application fee and to submit information regarding its ownership and directors, its finances, and a description of any past disciplinary actions for cannabis-related operations in any jurisdiction. Columbia Care was also required to submit highly detailed information regarding its experience, operating plan, strategic plan, local connections, and ability to keep the cost of medical cannabis low for patients. Such information included, for example: a list of all states in which Columbia Care operates; details of Columbia Care's proposed facility; a floor plan depicting the facility's security features; information about principles and key employees' credentials, including a Utah licensed pharmacist; training and customer service information; storage protocols; a description of all medical cannabis products Columbia Care intends to offer; a financial plan; and Columbia Care's local connections to Utah.

License applications were then evaluated and scored by a committee based on several criteria, including: experience in the medical cannabis or other highly regulated industries, disciplinary action or investigation in other jurisdictions, an operating plan that will best ensure the safety and security of cardholders and the community, the extent to which an applicant can reduce the cost of medical cannabis, connections to the local community, and a strategic plan that has a high likelihood of success. Of the 14 licenses awarded by the Department, an initial group of eight pharmacies were given the option to open as soon as March 1, 2020, while the remaining six are allowed to open as early as July 1, 2020. Successful applicants were required to obtain a land-use permit for their medical cannabis pharmacy within 120 days of the license award if required by their county or locality. Final licensure is also subject to applicants' owners passing criminal background checks and the Department approval of the applicants' operating plans. Columbia Care satisfied these requirements and was issued a medical cannabis pharmacy license on April 22, 2021 authorizing Columbia Care to operate the pharmacy.

UDAF licenses medical cannabis processors and regulates the manufacturing and processing of medical cannabis into various medical cannabis products. Processors in Utah are responsible for dry, cure, extraction, refinement, formulation, packaging, and labeling of medical cannabis products. Utah has two tiers of processing licenses. A Tier 1 Processing License allows a facility to process, formulate, package, and label products. A Tier 2 License allows a facility to packaging and labeling or products. Currently UDAF is not restricting the number of either tier of processing licenses.

Columbia Care applied for a Tier 1 processing license. The processing license application process required Columbia Care to pay an application fee and to submit information regarding its ownership and directors, its finances, a description of any past disciplinary actions for cannabis-related operations in any jurisdiction and detailed property information, including, but not limited to facility square footage, type and location of equipment, and the location of all cameras and external lights. Columbia Care was also required to submit highly detailed information regarding its experience, and operating plan, Such information included, for example: a list of all products that will be produced; all extraction methods to be used, including solvents, chemicals and equipment; short and long-term storage protocols to ensure sanitary preservation of medical cannabis products; a recall plan; a disposal plan; and transportation and transfer plan, including the make and model of all vehicles Columbia Care will use to transport medical cannabis products. All Medical Cannabis Processing Facilities must comply with quality assurance testing, and obtain a Good Manufacturing Permit from UDAF's Regulatory Services. Final licensure is also subject to the payment of a $100,000.00 processing fee, securing a $50,000.00 performance bond, and successful completion of a pre-inspection to verify the processing facility meets all safety and security requirements. Columbia Care expects to satisfy these requirements in the ordinary course of business.

Utah Operating Requirements

Medical cannabis pharmacies in Utah are subject to several highly detailed operational requirements. The requirements impose restrictions on who may enter a pharmacy, who may be employed by a pharmacy, and on consuming cannabis on site. They require pharmacies to maintain sophisticated security infrastructure and policies designed to minimize the risk of diversion and to minimize access to cannabis products. These include, for example, maintenance of a physical surveillance system with video cameras located throughout the facility, a fail-safe backup system to support the system in the event of a power-outage; installation of an alarm system; and maintenance of safes and vaults for storing medical cannabis.

The operational requirements also govern the dispensing procedure. All cannabis sold must meet certain labeling requirements and transactions are subject to a number of verification, inventory, and record-keeping requirements. Unusable cannabis products must be properly disposed. The UT Act imposes limitations on the amount of cannabis a pharmacy can dispense to a single patient in a 28-day period. That amount is capped at the lesser of (a) a 30-day supply for treatment; (b) 113 grams of unprocessed cannabis; or (c) 20 grams of total composite THC. Utah law also allows pharmacies to dispense medical cannabis via home delivery.

Medical cannabis pharmacies are required to employ a pharmacist-in-charge ("**PIC**"). The duties of the PIC generally include ensuring: the safe, informed, and appropriate distribution of medical cannabis and cannabis devices; protection, recording, and maintenance of patient records; education and training of pharmacy personnel; procurement of cannabis products and educational materials; appropriate disposal and storage of cannabis; controls against theft or diversion; compliance with applicable laws and regulations; quality assurance; maintenance of the point-of-sale system and integration with the state's inventory systems; and safe operation of the facility. Pharmacies must also be supervised by at least one licensed medical cannabis pharmacy medical provider ("**PMP**") who must be present during all hours of operation.

Utah Licenses

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
CCUT Pharmacy LLC	Medical Cannabis Pharmacy License 0010-270	Springville, UT	04/22/22	Dispensary
Columbia Care UT LLC	Cannabis Processor Licensing Agreement	Centerville, UT	06/07/22	Manufacturing & Processing
CCUT Pharmacy LLC	Industrial Hemp Retail License 8003-214074	Springville, UT	12/31/22	Industrial Hemp

On January 3, 2020, the Department announced its intent to award 14 medical cannabis pharmacy licenses to companies selected from over 130 applicants. Columbia Care was selected to open a medical cannabis pharmacy in Springville, Utah and on April 22, 2021 was issued a Cannabis Pharmacy License authorizing Columbia Care to operate the cannabis pharmacy. Licenses must be renewed annually. While Columbia Care's compliance controls have been developed to mitigate the risk of any material deviations from Department requirements, there is no assurance that the license will be annually renewed.

Additionally, effective June 7, 2021, Columbia Care entered into a Cannabis Processor Licensing Agreement with the UDAF. Pursuant to the terms of this agreement, Columbia Care may be issued a Tier I Cannabis Processing License by UDAF for a facility located in Centerville, Utah. Issuance of the license is contingent on the completion of facility improvements and related inspections, obtaining a Good Manufacturing Permit from UDAF, payment of a $100,000.00 processing fee, securing a $50,000.00 performance bond, and successful completion of a pre-inspection prior to June 7, 2022. Once issued, the license must be renewed annually. Columbia Care has filed for building permits and expects to receive a final license in the ordinary course of business; however, while Columbia Care's compliance controls have been developed to mitigate the risk of any material deviations from an application requirement as specified in the licensing agreement, there is no assurance that the license will ultimately be granted and annually renewed thereafter.

Utah Inspections

Columbia Care's Utah facility and records are subject to inspection from the Department at any time during business hours.

2020 Amendments to the UT Act

On February 28, 2020, the Governor signed legislation comprehensively amending the UT Act. Among the changes were the allowance of dosages in liquid suspension, allowance of medical cannabis pharmacies to sell certain CBD products, creation of partial-year limited licenses for cannabis processing licensing facilities and operation of an independent testing laboratory by the Utah Department of Agriculture and Food ("**UDAF**"), expansion of the authority of the state's Cannabinoid Product Board to review scientific research on the efficacy of products, and the state's Compassionate Use Board to hear petitions for use, relaxation of certain patient limits on use and validity of medical cannabis cards and restrictions on medical providers, direction to the Department of Health to authorize out-of-state residents to purchase medical cannabis, and permission to the UDAF to conduct random sampling of medical cannabis in medical cannabis pharmacies.

VIRGINIA

Virginia Regulatory Landscape

In 2017, Virginia commenced a program to allow registered patients to use CBD oil or THC-A oil. The program is governed by Va. Code Ann. § 54.1-3442.5 *et seq.*, and by emergency regulations enacted by the Virginia Board of Pharmacy (the "**Virginia Board**") at 18 VAC 110-60-10 *et seq.* "Registered patients" means any Virginia resident who has received a written certification for the use of CBD oil or THC-A oil from a practitioner (which includes nurse practitioners and physician assistants) to alleviate the symptoms of any diagnosed condition or disease, and who has been issued a registration by the Virginia Board. Virginia's program allows the Virginia Board to license "pharmaceutical processors," which are vertically integrated operations that can cultivate, process, and dispense CBD oil and THC-A oil in concentrations to be established by the Virginia Board that cannot exceed 10 mg of THC per dose. The oils can be processed into other formulations, such as capsules or lozenges. The state has limited licensure to one pharmaceutical process per "health service area," as defined by the State Board of Health. There are currently five health service areas. Following an initial cultivation period, pharmaceutical processors cannot maintain more than 12 cannabis plants per patient and cannot maintain CBD oil or THC-A oil in excess of what is required for normal operations.

In 2020, Virginia passed an act amending and reenacting Va. Code Ann. § 54.1-408.3 and 54.1-3442.5 *et. seq* (the "**Amendment**"). The Amendment allows for cannabis dispensing facilities, allows patients who are temporary residents to register, permits access to cultivation areas of the processor without a pharmacist on site, permits the Board to establish standards for testing laboratories to obtain controlled substance registration, permits the sale of devices and inert sample products, allows wholesale distribution between processors and dispensing facilities, changes every reference of "cannabidiol oil or THC-A oil" to "cannabis oil," deletes the requirement for an in-person examination by the prescriber certifying a patient to receive cannabis oil and allow the use of telemedicine in compliance with federal law, allows the pharmacist-in-charge to authorize certain employees to access secured areas when a pharmacist is not on site, and allows a ratio of six pharmacy technicians per one pharmacist working in the processor.

In 2020, the Virginia Board amended Title 18 of the Virginia Administrative Code 110-60, *et. seq*. and in February 2021, the Virginia Board adopted emergency rules amending Title 18 of the Virginia Administrative Code 110-60, *et. seq.* effective February 8, 2021 through August 7, 2022. These rules and emergency rules implement the changes as laid out in the Amendment. "Cannabis dispensing facility" means a facility that (i) has obtained a permit from the Board pursuant to § 54.1-3442.6; (ii) is owned, at least in part, by a pharmaceutical processor; and (iii) dispenses cannabis oil produced by a pharmaceutical processor to a registered patient, his registered agent, or, if such patient is a minor or an incapacitated adult as defined in § 18.2-369, such patient's parent or legal guardian. "Temporarily resides" means a person that does not maintain a principal place of residence within Virginia but resides in Virginia on a temporary basis as evidenced by documentation substantiating such temporary residence.

On April 7, 2021, a majority of both houses of the Virginia legislature voted to legalize adult-use marijuana. Virginia Senate Bill 1406/House Bill 2312 legalizes the retail sale of marijuana products to adults over the age of 21 and establishes the Virginia Cannabis Control Authority to oversee the cultivation, manufacture, wholesale, and retail sale of marijuana and marijuana products. Under the new law, home cultivation and personal possession of marijuana became legal July 1, 2021, but retail sales will not begin until January 1, 2024.

Columbia Care (through its subsidiaries in the Commonwealth of Virginia) is in compliance with applicable licensing requirements and the regulatory framework enacted by the Commonwealth of Virginia.

Virginia License Requirements

The pharmaceutical processor permit application process includes three stages: initial application, awarding of conditional approval, and granting of a permit. In the first stage, the applicant must submit an application fee and an application that includes: identifying information regarding the applicant and its owners; the location within the health service area that is to be operated under such permit; financial information to demonstrate its capacity to build and operate a facility; a detailed security plan; documents establishing the applicant's ability to conduct business in Virginia and its compliance with applicable ordinances and codes; information necessary for the Virginia Board to conduct criminal background checks; information about any previous or current involvement in the medical CBD oil or THC-A oil industry; information about any prior applications for medical CBD oil or THC-A oil licensure in any state; business or marketing plans; text and graphic materials showing the exterior appearance of the proposed facility; building documents including a detailed blueprint; documents related to any compassionate need program the pharmaceutical processor intends to offer; information about the applicant's expertise in agriculture and other production techniques required to produce CBD oil or THC-A oil and to safely dispense such products; and other documents required by the Virginia Board. As part of the initial application process, the Virginia Board conducts criminal background checks on applicants.

Following the deadline for receipt of applications, the Virginia Board evaluates each complete and timely submitted application and may grant conditional approval based on the following criteria: the results of the criminal background checks or any history of disciplinary action imposed by a state or federal regulatory agency; the location for the proposed pharmaceutical processor, which shall not be within 1,000 feet of a school or daycare; the applicant's ability to maintain adequate control against the diversion, theft, and loss of cannabis; the applicant's ability to maintain the knowledge, understanding, judgment, procedures, security controls, and ethics to ensure optimal safety and accuracy in the dispensing and sale of CBD oil or THC-A oil; the extent to which the applicant or any of its the applicant's pharmaceutical processor owners have a financial interest in another license, permit, registrant, or applicant; and any other reason provided by state or federal statute or regulation that is not inconsistent with the law and regulations regarding pharmaceutical processors. The Virginia Board may disqualify any applicant who submits an incomplete, false, inaccurate, or misleading application; fails to submit an application by the published deadline; fails to pay all applicable fees; or fails to comply with all requirements for a pharmaceutical processor.

Following review, the Virginia Board notifies applicants of denial or conditional approval. If granted conditional approval, an applicant has one year to complete all requirements for issuance of a permit to include employment of a Pharmacist-in-Charge ("**PIC**") and other personnel necessary for operation of a pharmaceutical processor, the construction or remodeling of a facility, installation of equipment, and securing local zoning approval.

When the Virginia Board's requirements have been met – including designation of a PIC, completion of background checks, employment of an electronic tracking system, and an inspection of the facility – the Virginia Board may grant a pharmaceutical processor permit. If an inspection reveals any deficiencies, they must be corrected, and a reinspection may be performed before the permit is issued. The applicant must also attest to compliance with state and local laws and ordinances.

If an applicant has been awarded a pharmaceutical processor permit and has not commenced operation of such facility within 180 days of being notified of the issuance of a pharmaceutical processor permit, the Virginia Board may rescind the permit, unless such delay was caused by circumstances beyond the control of the permit holder. If a permit is so rescinded, the Virginia Board may award a pharmaceutical processor permit to another qualified applicant. Once the permit is issued, cannabis may not be grown or held in the pharmaceutical processor earlier than two weeks prior to the opening date designated on the application. Once cannabis has been placed in the pharmaceutical processor, a pharmacist shall be present during hours of operation to ensure the safety, security, and integrity of the cannabis. If there is a change in the designated opening date, the pharmaceutical processor shall notify the Virginia Board, and a pharmacist shall continue to be on site on a daily basis.

The Virginia Board may issue up to five cannabis dispensing facility permits in each health service area. A permit may be issued to a facility that is owned, at least in part, by the pharmaceutical processor located in that health service area for dispensing cannabis oil that has been cultivated and produced on the premises of the processor. Each dispensing facility shall be located within the same health service area as the pharmaceutical processor.

Applicants must submit an application and fee for each cannabis dispensing facility. The submission must also include (i) the name and address of the facility, (ii) the name and address of the facility's owners with 5% or greater ownership, (iii) the name and signature of pharmacist-in-charge, (iv) details regarding the security plan and plan to prevent diversion, (v) information for the Virginia Board to conduct a background check, and (vi) the requisite fee.

The Virginia Board will conduct an inspection of the facility prior to issuing a permit. The permit shall not be awarded until any deficiency with the facility has been corrected and the facility has been satisfactorily inspected. The cannabis dispensing facility must be operational within 90 days of the date the permit is issued or the Virginia Board will either rescind or extend the permit.

Virginia Operating Requirements

Pharmaceutical processors and cannabis dispensing facilities are required to designate a PIC to manage its operation, and to have a supervising pharmacist on duty during its hours of operation. The PIC of a pharmaceutical processor may authorize certain employees' access to secured areas designated for cultivation even when the pharmacist is not on the premises. Numerous tasks involving the handling of CBD oil or THC-A oil must be performed by a pharmacist or a pharmacy technician acting under a pharmacist's supervision. Those tasks include, for example, labeling oils, removing oils from inventory, measuring oils for dispensing, and selling oils. Pharmacists and pharmacy technicians must have current licenses, and the ratio of pharmacists to pharmacy technicians cannot exceed 4-to-1. The Virginia Board has also imposed certain educational requirements for the cultivation of cannabis plants and the extraction of oils. And, the Virginia Board requires significant employee training, both upon initial employment and continuously thereafter.

A pharmaceutical processor or cannabis dispensing facility must operate for a minimum of 35 hours per week. Access to a pharmaceutical processor or cannabis dispensing facility is limited to employees performing their job duties (who must display ID badges) and patients (and their parents or guardians). It must sell oils in a child-resistant container (with some exceptions). Pharmacists must counsel registered patients, parents, and legal guardians regarding the use of CBD oil or THC-A oil, including information related proper use and storage.

Pharmaceutical processors and cannabis dispensing facilities are subject to advertising restrictions; cannot sell products aside from CBD oil or THC-A oil; cannot cultivate, produce, or dispense oils anywhere except its designated facility; and cannot provide samples. Pharmaceutical processors and cannabis dispensing facilities may wholesale products to other pharmaceutical processors and may transport wholesale products to other pharmaceutical processors and cannabis dispensing facilities. A pharmaceutical processor wholesale distributing products must create a record of the transaction and provide the receiver of the products with a copy of the lab results for the product. They may also deliver CBD or THC-A oil to a registered patient in accordance with certain regulatory requirements.

The cultivation and dispensing processes are subject to numerous Virginia Board requirements. For cultivation: pesticides are prohibited (with some exception); oil extraction methods must meet industry standards; products must be branded, tested, and registered with the Virginia Board before they are dispensed; products must be labeled to disclose certain product identifying information; and samples from batches must be made available to independent laboratories for testing prior to sale. For dispensing: the pharmacist or pharmacy technician must view the patient's ID before filling any portion of the patient's prescription; the pharmaceutical processor or cannabis dispensing facility must maintain detailed dispensing records for three years; and the processor or dispensing must implement and comply with a quality assurance program, meeting several requirements, to prevent dispensing errors. Finally, unused cannabis and its oils must be disposed of in a manner that makes the cannabis and its oils unrecoverable.

As of September 2021, the Board allows pharmaceutical processors to sell whole flower to patients.

Virginia Licenses

On September 25, 2018, the Virginia Board announced the conditional approval of pharmaceutical processor permits for each of Virginia's five health service areas. Columbia Care Eastern Virginia LLC was awarded conditional approval for Health Services Area V and was granted a final permit to operate a facility in that area on April 6, 2020.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care Eastern Virginia LLC	Pharmaceutical Processor Permit #0240000002	Portsmouth, VA	04/30/22	Cultivation, Processing and Dispensary
Green Leaf Medical of Virginia, LLC	Pharmaceutical Processor Permit #0240000003	Richmond, VA	5/31/22	Cultivation, Processing and Dispensary
Green Leaf Medical of Virginia, LLC	Cannabis Dispensing Facility #0247000003	Glen Allen, VA	5/31/22	Dispensary

Virginia Security, Transportation, and Storage Requirements

Pharmaceutical processors and cannabis dispensing facilities are subject to a number of inventory and security requirements. They must conduct an initial comprehensive inventory; establish ongoing inventory controls and procedures; conduct the requisite inventory reviewed (weekly inventory reviews for pharmaceutical processors and perpetual inventory for cannabis dispensing facilities); and prepare an annual inventory report. Inventory records must be made available to the Virginia Board and its agents. All parts of the cannabis plant and its oils must be stored in a locked and secured vault or safe with appropriate access limitations, and the pharmaceutical processor or cannabis dispensing facility must maintain a sophisticated security system meeting certain Virginia Board criteria. Storage of cannabis and its oils must generally be clean, sanitary, safe, and subject to a number of conditions. The pharmaceutical processor's or cannabis dispensing facility's video system must cover areas where cannabis or its oils are handled. Recordings must be stored for 30 days and made available for the Virginia Board's immediate review upon request. Security events must be reported to the Virginia Board. Pharmaceutical processors and cannabis dispensing facilities may not transport cannabis or its oils to any other facility, except for the wholesale purposes specified above.

Virginia Board Inspections

At all times, pharmacists and pharmacy technicians at the pharmaceutical processor or cannabis dispensing facility must have their current license or registration available for inspection by the Virginia Board or its agents.

WASHINGTON, D.C.

Washington, D.C. Regulatory Landscape

Washington, D.C.'s medical marijuana program is governed by D.C. Code § 7-1671.01 *et seq.* and the Department of Health's implementing regulations, CDCR 22-C100 *et seq.* The program authorizes patients with a qualifying medical or dental condition to use marijuana via inhalation, ingestion, or other means. Qualifying medical conditions include chemotherapy, the use of azidothymidine or protease inhibitors, radiotherapy, or any other treatment, as determined by rulemaking, whose side effects require treatment through the administration of medical marijuana in the same manner as a qualifying medical or dental condition. The program also authorizes patients from other states to purchase medical marijuana in Washington, D.C. An emergency rulemaking action from the Mayor's Office expanded the number of states whose medical cards the program will accept to include any state or U.S. territory that has an active medical marijuana program and issues either a card or state-issued document evidencing the patient's participation in the program. An emergency rulemaking action by the Council of the District of Columbia on November 2, 2021, provided for the issuance of two-year registrations cards to qualifying patients and caregiver for the purpose of attracting and keeping qualified patients and their caregivers in the legal medical cannabis market.

The medical marijuana program creates licensing regimes for dispensaries and cultivation centers. A dispensary registered to operate in the District of Columbia may (a) possess and sell medical marijuana to registered qualified patients and caregivers; and (b) manufacture, purchase, possess, and distribute paraphernalia and cigarette rolling papers to registered qualified patients and caregivers. A cultivation center registered to operate in the District of Columbia may: (a) possess, manufacture, grow, cultivate, and distribute medical marijuana for sale to registered dispensaries; and (b) manufacture, purchase, possess, and distribute paraphernalia and cigarette rolling papers to registered dispensaries. The number of dispensaries in the District of Columbia is capped at 7, with discretion for the mayor to increase the number to 8, while the number of cultivation centers is capped at 10. Currently, there are seven dispensaries and eight cultivation centers. There are also pending application processes for an additional dispensary license, two additional cultivation centers, and two testing laboratories. Columbia Care submitted a letter of intent to apply the additional dispensary license and was approved. The application period runs from starts at Monday, November 29, 2021, through Monday, March 28, 2022.

Columbia Care (through its subsidiaries in Washington, D.C.) is in compliance with applicable licensing requirements and the regulatory framework enacted by Washington, D.C.

Washington, D.C. License Requirements

Before issuing or renewing a registration or permit for either a business applicant or an individual applicant, the Director of the Alcoholic Beverage Regulation Administration ("ABRA") shall determine that the applicant meets all of the following criteria: the applicant is of good character and generally fit for the responsibilities of registration; the applicant is at least twenty-one (21) years of age; the applicant has not been convicted of any felony before filing the application; the applicant has not been convicted of a misdemeanor for a drug-related offense before filing the application; the applicant has paid the annual fee; the applicant is not a licensed physician making patient recommendations; the applicant is not a person whose authority to be a caregiver or qualified patient has been revoked by the ABRA; and the applicant has complied with the relevant laws and regulations. The application process is extensive and requires dispensaries to submit information about the proposed facility; a security plan; an inventory plan; a product safety and labeling plan; a business and marketing plan; comments from a neighborhood commission; and an educational materials plan. Cultivation centers must similarly submit information about the proposed facility; a security plan; a cultivation plan; a product safety and labeling plan; a business plan; comments from a neighborhood commission; and an environmental plan.

Applicants' leadership team and personnel are also subject to scrutiny during the application process. Applicants must identify all of its directors, officers, members, or incorporators on its application. Those individuals and other agents of the applicant must submit to a registration process which includes (a) written statements or evidence establishing to the satisfaction of the ABRA that the applicant meets all of the registration qualifications; (b) a copy of the applicant's medical marijuana training and education certificate, and (c) a criminal background check. An applicant's managers and employees are subject to a similar registration process that involves a criminal background check.

Washington, D.C. Security, Storage, and Transportation Requirements

Dispensaries and cultivation centers must comply with a number of security measures. Medical marijuana located on the premises must be stored in a separate storage area which is securely closed and locked when the establishment is prohibited from operating or is closed. The storage area shall have a volumetric intrusion detection device(s) installed and connected to the facility intrusion detection system. A cultivation center or dispensary must also install and use a highly secured safe for overnight storage of any processed marijuana, transaction records, and cash on the registered premises.

A dispensary or cultivation center must operate and maintain in good working order a 24/7 closed-circuit television surveillance system on the premises that complies with several minimum standards, including: (1) the system must visually record and monitor the entire facility including entrances and exits, parking lots, limited access areas, and areas where medical marijuana is cultivated, stored, dispensed, or destroyed; (2) cameras must be adequate for the lighting, produce digital, time stamped video, and capable of producing a DVD; (3) the system must be in good working order, and malfunctions must be reported; (4) footage must be stored for 30 days. Upon request, recordings must be turned over to police or the Department. A dispensary or cultivation center must also install, maintain, and use a professionally monitored robbery and burglary alarm system meeting certain requirements.

Unused surplus marijuana must be weighed, documented, and submitted to the police for destruction. Stolen or lost marijuana must be reported to the police within 24 hours of becoming aware of the theft or loss.

In order to transport marijuana within the district, a cultivation center must obtain a transport permit from the ABRA. Each vehicle used for the transportation of marijuana must have its own original permit. Only cultivation center employees, directors, officers, members, incorporators, agents, or contracted agents may transport marijuana.

Washington D.C. Operational Requirements

Applicants for a cultivation center or dispensary must submit a proposed staffing plan; a proposed security plan meeting a number of criteria specified in CDCR 22-C5406.2 or C5405.2, respectively; a cultivation plan that covers where medical marijuana will be cultivated and stored (for cultivators); a product safety and labeling plan that satisfies several criteria specified in CDCR 22-C 5607; a written statement regarding the suitability of the proposed facility for the medical marijuana operation; and a notarized written statement from the applicant that they have read the District of Columbia's medical marijuana law and have knowledge of the District of Columbia and federal laws relating to marijuana. Two or more cultivation centers may operate in the same building, provided that they maintain separate books and records and their own secure premises. And, a cultivation center and a dispensary may operate in the same building so long as they have the same ownership, maintain separate books and records, maintain separate secure space, and provided that patients and caregivers are prohibited from entering the cultivation area.

Department Inspections

The ABRA may conduct announced and unannounced investigations and inspections of cultivation centers and dispensaries. During such inspections and investigations, the ABRA may review the cultivation center's confidential records, and failure by a dispensary or cultivation center to provide the ABRA with immediate access to requested information may result in a civil fine and further sanctions.

Washington D.C. Licenses

Columbia Care operates in Washington D.C., through a wholly-owned subsidiary, Columbia Care DC, and through a management services arrangement with VentureForth LLC. The table below describes the Cultivation Center Registration held by Columbia Care DC and the Dispensary Registration and Cultivation Center Registration held by VentureForth LLC.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care DC	Cultivation Center Registration #MMP00231	Washington D.C.	12/31/21	Cultivation
VentureForth LLC	Dispensary Registration #MMP00067	Washington D.C.	12/31/21	Dispensary
VentureForth LLC	Cultivation Center Registration #MMP00049	Washington D.C.	12/31/21	Cultivation

Registration renewals in Washington D.C. are granted annually. Prior to the third renewal, an advisory neighborhood commission is entitled to a comment period during which they can submit an objection to the renewal. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable registrations, Columbia Care DC and VentureForth LLC entities would expect to receive the applicable renewed registrations in the ordinary course of business.

WEST VIRGINIA (HEMP)

In 2002, the West Virginia Legislature passed the Industrial Hemp Development Act (the "**WV Hemp Act**"), which created the framework for legalized industrial hemp in West Virginia. Following passage of the 2014 Farm Bill, which authorized states to establish pilot programs for industrial hemp research, the West Virginia Department of Agriculture implemented a pilot program based on the authority already granted by the WV Hemp Act. From 2017 to 2019, the number of license-holders under the pilot program increased from 46 to 165. West Virginia's 2019 amendments to the WV Hemp Act authorized the Commissioner of Agriculture to submit a state plan for regulation of industrial hemp to the U.S. Department of Agriculture for approval pursuant to the 2018 Farm Bill. The West Virginia Department of Agriculture submitted such a plan on January 23, 2020, with a proposed effective date of October 31, 2020. The plan proposed to the U.S. Department of Agriculture is consistent with the West Virginia Department of Agriculture's existing industrial hemp program.

The industry hemp program subjects licensees to several regulatory requirements. These include crop-testing requirements to determine whether the hemp has a permissible THC level of under 0.3%; recordkeeping and reporting requirements; and submission to any inspection and sampling that the West Virginia Department of Agriculture deems necessary. Intentional violations of the WV Hemp Act and the West Virginia Department of Agriculture's rules, as well as repeated negligent violations, may result in a loss of license.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care WV Industrial Hemp LLC	Industrial Hemp License #0283	Morgantown, WV	12/31/21	Industrial Hemp

Columbia Care's subsidiary, Columbia Care WV Industrial Hemp LLC, applied for and was granted a license to develop an industrial hemp farm in West Virginia. The license authorizes Columbia Care to grow, process, cultivate, store, and handle raw industrial hemp.

WEST VIRGINIA

Regulatory Landscape

Senate Bill 386, signed into law on April 19, 2017, by Governor Jim Justice, created the Medical Cannabis Act that allows for cannabis to be used for certified medical use by a West Virginia resident with a serious medical condition and is limited to the following forms: pill; oil; topical forms including gels, creams or ointments; a form medically appropriate for administration by vaporization or nebulization, dry leaf or plant form; tincture;

liquid; or dermal patch. The medical cannabis program is administered by the West Virginia Bureau for Public Health, Office of Medical Cannabis (the "**WV Bureau**"). The Office has authority to (1) issue and oversee permits that authorize businesses to grow, process, or dispense medical cannabis in compliance with state law and regulations, (2) register medical practitioners who certify patients as having qualifying serious medical conditions, and (3) register and oversee patients with qualifying conditions. Medical cannabis may only be dispensed to a patient who receives a certification from a practitioner and is in possession of a valid identification card issued by the WV Bureau ; and a caregiver who is in possession of a valid identification card issued by the Bureau. Products packaged by a grower/processor or sold by a dispensary shall only be identified by the name of the grower/processor, the name of the dispensary, the form and species of medical cannabis, the percentage of tetrahydrocannabinol and cannabinol contained in the product.

A dispensary that has been issued a permit may lawfully dispense medical cannabis to a patient or caregiver upon presentation to the dispensary of a valid identification card for that patient or caregiver. The dispensary shall provide to the patient or caregiver a receipt, as appropriate. The receipt shall include all of the following: the name, address, and any identification number assigned to the dispensary by the WV Bureau; the name and address of the patient and caregiver; the date the medical cannabis was dispensed; any requirement or limitation by the practitioner as to the form of medical cannabis for the patient; and the form and the quantity of medical cannabis dispensed. Dispensaries are prohibited from dispensing cannabis products to anyone other than a registered patient or caregiver who presents a valid identification card from the Office. Dispensing amounts are limited to those indicated in a registered patient's certification by his/her medical practitioner, and in any event a dispensary may not dispense more than a 30-day supply at a given time.

The WV Bureau and the Department of Revenue must monitor the price of medical cannabis sold by growers, processors and by dispensaries, including a per-dose price. If the WV Bureau and the Department of Revenue determine that the prices are unreasonable or excessive, the WV Bureau may implement a cap on the price of medical cannabis being sold for a period of six months.

The WV Bureau's Office of Medical Cannabis (the "**WV Office**") received applications for medical cannabis growers, processors, dispensaries, and laboratories in Spring 2020. The Office of Medical Cannabis issued 10 grower permits on October 3, 2020. It issued 10 processor permits on November 13, 2020. It issued 100 dispensary permits on January 29, 2021, and announced that, beginning February 3, 2021, West Virginia residents with serious medical conditions would be able to begin to submit applications to become registered patients.

Permits issued by the Office of Medical Cannabis are effective for one year from the date of issuance and may be renewed by applicants in good standing with the terms of a currently-effective permit. Permits may be suspended or revoked on the basis of failure to prevent diversion of medical cannabis, or violation of laws and rules applicable to medical cannabis businesses.

Successful Applications in West Virginia

On October 2, 2020, the Office announced the successful applicants for medical cannabis grower permits and Columbia Care WV, LLC was selected for a site in Falling Water, Berkley County, WV. On November 13, 2020, the WV Office announced the successful applicants for medical cannabis processor permits Columbia Care WV, LLC was selected for a site in Falling Water, Berkley County, WV.

On January 29, 2021, Columbia Care WV, LLC was awarded dispensary permits with respect to dispensary locations in Fayetteville, St. Albans, Morgantown, Beckley, and Williamstown.

Permit Requirements

In awarding a cannabis permit, the WV Bureau must make a determination: that the applicant will maintain effective control of and prevent diversion of medical cannabis; the applicant will comply with all applicable laws of West Virginia; if the applicant is a business entity, majority ownership in the business entity must be held by a state resident or residents; whether the applicant possesses the ability to obtain in an expeditious manner sufficient land, buildings, and equipment to properly grow, process, or dispense medical cannabis; and whether the applicant is able to implement and maintain security, tracking, recordkeeping, and surveillance systems relating to the acquisition, possession, growth, manufacture, sale, delivery, transportation, distribution, or the dispensing of medical cannabis as required by the WV Bureau. A permit is nontransferable. The fee for a permit as a grower/processor is $50,000.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Columbia Care WV LLC	GO2003	Falling Waters, WV	10/01/21	Cultivation
Columbia Care WV LLC	PO20004	Falling Waters, WV	11/13/21	Processor
Columbia Care WV LLC	D540058	Williamstown, WV	01/28/22	Dispensary
Columbia Care WV LLC	D100059	Fayetteville, WV	01/28/22	Dispensary
Columbia Care WV LLC	D310060	Morgantown, WV	01/28/22	Dispensary
Columbia Care WV LLC	D410061	Beckley, WV	01/28/22	Dispensary
Columbia Care WV LLC	D200062	St. Albans, WV	01/28/22	Dispensary

Reporting Requirements

A medical cannabis organization must implement an electronic inventory tracking system which shall be directly accessible to the WV Bureau through its electronic database that electronically tracks all medical cannabis on a daily basis. The system shall include tracking of all of the following: for a grower or processor, a seed-to-sale tracking system that tracks the medical cannabis from seed to plant until the medical cannabis is sold to a dispensary; for a dispensary, medical cannabis from purchase from the grower/processor to sale to a patient or caregiver and that includes information that verifies the validity of an identification card presented by the patient or caregiver; for a medical cannabis organization, a daily log of each day's beginning inventory, acquisitions, amounts purchased and sold, disbursements, disposals and ending inventory.

Inspections

The Office is permitted to conduct announced or unannounced inspections of permittees to determine their compliance with West Virginia law and regulations, and may inspect a permittee's site, records, and other data, and may interview employees, principals, operators, and financial backers of the permittee. The Office will have free access to review and, if necessary, make copies of books, records, papers, documents, data, or other physical or electronic information that relates to the business of the medical cannabis organization, including financial data, sales data, shipping data, pricing data, and employee data. The Office will have free access to any area within a site or facility that is being used to store medical cannabis for testing purposes and are permitted to collect test samples for testing at an approved laboratory.

Security, Transportation, and Storage Requirements

Permittees must have security and surveillance systems, utilizing commercial-grade equipment, to prevent unauthorized entry and to prevent and detect an adverse loss. The security systems must incorporate a professionally monitored security alarm system that is operational 24 hours a day, seven days a week, and records all activity in images capable of clearly revealing facial detail; have the ability to clearly and accurately display the date and time; record all images captured by each surveillance camera for a minimum of two years in a format that may be easily accessed for investigative purposes; and utilize a security alarm system separate from the facility's primary security system covering the limited access area or other room where the recordings are stored. Permittees must install commercial-grade, nonresidential doors and door locks on each external door of the facility, with keys or key codes for all doors remaining in the possession of designated authorized individuals. During all nonworking hours, all entrances to and exits from the site and facility must be securely locked. Permittees must install lighting to ensure proper surveillance both inside and outside of the facility. Access to rooms containing security and surveillance monitoring equipment must be limited to persons who are essential to maintaining security and surveillance operations; federal, state and local law enforcement; security and surveillance system service employees; the bureau or its authorized agents; and other persons with the prior written approval of the Office.

A permittee is permitted to transport and deliver medical cannabis to a medical cannabis organization or an approved laboratory. A grower/processor may deliver medical cannabis to a medical cannabis organization or an approved laboratory only between 7:00 a.m. and 9:00 p.m. A grower/processor may contract with a third-party contractor for delivery so long as the contractor complies with the Office's rules and regulations. A grower/processor must use a global positioning system to ensure safe, efficient delivery of the medical cannabis to a medical cannabis organization or an approved laboratory. Vehicles permitted to transport medical cannabis must be equipped with a secure lockbox or locking cargo area, have no markings that would either identify or indicate that the vehicle is being used to transport medical cannabis, be capable of being temperature-controlled for perishable medical cannabis, as appropriate, display current state inspection stickers and maintain a current state vehicle registration, and be insured in an amount that is commercially reasonable and appropriate. Medical cannabis stored inside the transport vehicle may not be visible from the outside of the transport vehicle. A transport vehicle is subject to inspection by the bureau or its authorized agents, law enforcement, or other federal or state officials if necessary, to perform the government officials' functions and duties.

EUROPEAN UNION REGULATORY ENVIRONMENT

The following sections describe the legal and regulatory landscape in the European Union , the United Kingdom, and the EU member states, in particular Germany, in which Columbia Care operates or is exploring business opportunities.

While Columbia Care works to ensure that its operations comply with applicable EU, UK, and EU member state laws, regulations, and licensing requirements, for the reasons described above and the risks further described under the heading "Risk Factors", there are significant risks associated with the business of Columbia Care. Readers are strongly encouraged to carefully read and consider all of the risk factors contained under the heading "*Risk Factors*" below.

Except as described above and elsewhere in this registration statement, Columbia Care is in compliance with applicable law and has not received any citations or notices of violation which may have an impact on the Columbia Care's licenses, business activities or operations.

Medical Cannabis

In the absence of a clear EU definition of "medical cannabis", from a legal and regulatory perspective, a distinction should be made between:

- Cannabis-derived medicinal products: these are products which have obtained a marketing authorization from a regulatory authority (the European Medicines Agency at EU level or national competent authorities at EU member state level), after going through extensive clinical trials to test the products' safety and effectiveness. These products are regulated as (cannabis-derived) "medicinal products" in accordance with the harmonized EU regulatory system set forth by EU Directive 2001/83/EC. To date, several cannabinoid-containing medicinal products have been authorized for marketing in the EU and certain EU member states; some are plant-based, i.e., Sativex® (nabiximols) and Epidyolex® (CBD); others are synthetic, i.e., Marinol® (dronabinol) and Cesamet® (nabilone).
- Cannabis preparations for medical use: these are products which have not obtained a marketing authorization but are authorized through national distribution and use authorizations/licenses in certain EU member states. This may include raw cannabis, such as the flowering tops, compressed resin or hash, oils extracted from the plant, etc. Alternatively, raw cannabis can be transformed by a pharmacist into a magistral preparation in accordance with a medical prescription, or the raw cannabis may already have been transformed by the manufacturer into standardized cannabis preparations. These cannabis preparations can vary greatly in composition, depending for example on the strain of cannabis, the growing conditions and how the preparations are stored.

This section of the registration statement focuses only on such cannabis preparations for medical use, referred to as "medical cannabis". Medical cannabis can be described as whole-plant cannabis-derived products (generally cannabis flower or oils) that are licensed by member state health systems for prescription by a doctor. As recognized by the European Monitoring Centre for Drugs and Drug Addiction (the "**EMCDDA**"), medical cannabis refers to a wide variety of preparations and products that may contain different active ingredients and use different routes of administration.

EU Regulatory Landscape

As the EU is not a party to the international conventions related to the control of drugs, the obligation to implement the provisions of said conventions sits with the individual EU member states. However, the EU has observer status in the UN Commission on Narcotic Drugs ("**CND**").

Also, from an EU perspective, the regulation of medical cannabis falls largely within the competence of the EU member states, which may decide to permit the medical use of cannabis preparations – without requiring a marketing authorization in accordance with EU Directive 2001/83/EC – under specific conditions. In this respect, Article 5(1) of Directive 2001/83/EC, which relates to so-called "named patient use" of medicinal products, states:

> "a member state may, in accordance with legislation in force and to fulfil special needs, exclude from the provisions of this Directive medicinal products supplied in response to a bona fide unsolicited order, formulated in accordance with the specifications of an authorized healthcare professional and for use by an individual patient under his direct personal responsibility."

The use of medical cannabis can therefore only be authorized by member states upon medical prescription and when there is a medical need for the patient.

As a consequence of the above, the regulations with respect to medical cannabis vary greatly amongst member states. While some EU member states, including Germany, and the UK have adopted specific legal provisions and frameworks governing the distribution and use of medical cannabis, and other EU member states have launched official pilot programs (e.g. France), the status of medical cannabis in other member states remains unclear.

On February 13, 2019, the European Parliament adopted a motion for a resolution on use of cannabis for medicinal purposes (2018/2775(RSP) recognizing that:

> "UN conventions and international law do not prevent the medicinal use of cannabis or cannabis-based products for the treatment of specific medical conditions;" and
>
> "EU Member States differ widely in their approach to cannabis legislation, including their legislation on cannabis for medical purposes, such as on the maximum allowed levels of THC and CBD concentrations, which can lead to difficulties for countries applying a more prudent approach".

In this respect, the European Parliament specifically called on the European Commission and member state authorities to (amongst other things):

> "work together to provide a legal definition of medical cannabis, and to draw a clear distinction between cannabis-based medicines approved by the EMA or other regulatory agencies, medical cannabis not supported by clinical trials, and other applications of cannabis (e.g. recreational or industrial)."

At the reconvened 63rd session of the UN CND, which took place on December 2, 2020, the twelve (12) EU member states who are also members of the CND acted upon the World Health Organization ("**WHO**") recommendations to adjust the classification of cannabis and cannabis-related substances under the international drug conventions, while ensuring that they remain subject to the most relevant international control. The vote was in accordance with Council Decision (EU) 2021/3 of November 23, 2020, which had stipulated the position to be taken by the relevant member states on behalf of the EU. In particular, the EU supported the deletion of cannabis and cannabis resin from Schedule IV of the Single Convention on Narcotic Drugs, as recommended by the WHO, considering that it would allow more research, in line with evidence-based drugs policy, on the medical use of cannabis and cannabis resin.

GERMANY

Germany Regulatory Landscape

The importation and distribution of medical cannabis in Germany is mainly covered by the German Narcotics Law ("*Betäubungsmittelgesetz*" – "*BtMG*"), the German Pharmaceutical Act ("*Arzneimittelgesetz*" – "*AMG*"), and the German Narcotics Foreign Trade Ordinance ("*Betäubungsmittelaußenhandelsverordnung*" – "*BtMAHV*"). The relevant competent authority is the German Federal Institute for Drugs and Medical Devices ("*Bundesinstitut für Arzneimittel und Medizinprodukte*" – "*BfArM*"), its sub-units the Federal Cannabis Authority ("*Cannabisagentur*") and the Federal Opium Office ("*Bundesopiumstelle*"), and German state authorities.

Cannabis is a narcotic drug according to sec. 1 (1) *BtMG*, as it is listed in Annexes I to III of the *BtMG* (exceptions include seeds, cannabis with a tetrahydrocannabinol (THC) content not exceeding 0.2 %, etc. – these are not classified as narcotic drugs). Therefore, it is a criminal offence to illicitly cultivate, produce and trade in cannabis or, without engaging in its trade, to import, export, sell, supply, otherwise place it on the market or acquire or procure it in any other way (sec. 29 (1) sent. 1 no. 1 *BtMG)*.

The Act on the Amendment of Narcotic Drugs and Other Regulations (**"***Gesetz zur Änderung betäubungsmittelrechtlicher und anderer Vorschriften***"** – "*BtMRÄndG"*), which came into force on March 10, 2017, amended the national narcotic laws and other related provisions thus legalizing the cultivation, distribution and consumption of cannabis for medical purposes. Prior to this legislative change, the import of cannabis was not permitted, and only in exceptional circumstances (upon medical prescription), pharmacies could request such medical cannabis (abroad) for specific patients, provided a special case-by-case approval issued by BfArM had been obtained. Since then, medical cannabis (cultivated for medical purposes in other countries in accordance with Articles 23 and 28 of the 1961 Single Convention on Narcotic Drugs) can be imported and marketed in Germany by private companies provided they have obtained the relevant licenses.

Prescribing and Dispensing Regime

These provisions enable doctors to prescribe medical cannabis for certain indications.

Medical cannabis is – in general – either distributed as a so-called magistral medicinal preparation ("*Rezepturarzneimittel*") in the form of medicinal cannabis flowers, as a cannabis extract or as a specific composition of the active substance dronabinol ("**THC**").

According to sec. 13 (2) sent. 1 *BtMG*, the supply of cannabis to patients is only permitted through pharmacies upon a special prescription for this purpose. The exact recipe instructions for such magistral preparations are laid down in the New Prescription Form, which is the standard work for drug production in pharmacies and is part of the German Drug Codex ("**DAC**").

Reimbursement Regime

Health insurance is statutorily mandated in Germany, and residents are covered by either statutory health insurance plans (covering approximately 88% of the population) or private health insurance.

Until 2017, only cannabis-derived products authorized as finished medicinal products could be prescribed and marketed in Germany and basically only cannabis intended for the manufacture of finished medicinal products containing cannabis could be imported. Since March 10, 2017, it has become possible for medical cannabis to be prescribed at the expense of the Statutory Health Insurance carriers in Germany upon their prior approval. The conditions are set out in sec. 31 (6) German Social Code Book V ("*Fünftes Sozialgesetzbuch" – "SGB V*").

According to sec. 31 (6) SGB V insured persons with a serious disease are entitled to be supplied with cannabis in the form of dried flowers or extracts in standardized quality (and to be supplied with pharmaceuticals containing the active substances dronabinol or nabilone) if (i) a generally recognized treatment in accordance with medical standards is not available or – in the opinion of the treating physician – cannot be used in the individual case and (ii) there is a not entirely remote prospect of a notable positive effect on the course of the disease or of serious symptoms.

The new Law for More Safety in the Supply of Pharmaceuticals in Germany ("*Gesetz für mehr Sicherheit in der Arzneimittelversorgung" – "GSAV*") even facilitates access to medical cannabis for those patients who already have a prescription or who have been hospitalized and further enables patients to switch smoothly between cannabis products without having to wait for a respective approval.

Germany Licensing Requirements

In accordance with the current German regulatory regime, for private companies to import and distribute medical cannabis in Germany, a License for the Trade in Narcotic Drugs, an Import Authorization, and likely a Wholesale Trading Authorization, are required. The import license can only be obtained by a company with business activity in Germany.

(a) License for the Trade in Narcotics Drugs – Sec. 3 (1) *BtMG*

Sec. 3 (1) *BtMG* stipulates that a license is required for all operations relating to the trading of narcotic drugs:

> "A license issued by the Federal Institute for Drugs and Medical Devices shall be required by any person who seeks to cultivate, produce or trade in narcotic drugs, or without engaging in their trade import, export, supply, sell, otherwise place them on the market or acquire them […]."

This license is issued for the relevant company, institution etc., for the respective site, and for the required scope of the trade in narcotic drugs. It is issued by the Federal Cannabis Agency (*Cannabisagentur*), a sub-unit of BfArM, upon application in accordance with sec. 1 German Narcotics Foreign Trade Ordinance ("*BtMAHV*"). BfArM shall decide on the issue of a license within three months of receipt of the application. Further details and requirements are regulated in sec. 3 through 10 *BtMG* and the *BtMAHV*.

(b) Import Authorization (for Narcotic Drugs) – Sec. 11 *BtMG*

For each import of narcotics, an import authorization issued by BfArM is required according to sec. 11 (1) sent. 1 *BtMG*. The procedure for issuing import authorizations is more specifically governed by the *BtMAHV*:

> "Any person who seeks to import or export narcotic drugs in an individual case shall require an authorization from the Federal Institute for Drugs and Medical Devices in addition to the license required pursuant to sec. 3."

BfArM may inter alia refuse the import license or restrict the quantity of the narcotics according to the estimate of cannabis as notified with the International Narcotics Control Board or if the safety or control of narcotics traffic cannot be guaranteed.

The import license is issued in triplicate on official forms. Two copies shall be sent to the importer and one copy to the authority responsible for narcotics control in the exporting country. Most countries make exports dependent on the existence of an import permit. The approval cannot be transferred to third parties (sec. 3 (2) sent. 1 *BtMAHV*). It shall be limited to a maximum of three months (six months for imports by sea) ((sec. 3 (2) sent. 2 *BtMAHV*). If the narcotics are not imported within this time frame, the import authorization must be returned to BfArM (Sec. 6 (3) *BtMAHV*).

Key requirements for the aforementioned licenses according to sec. 3 through 11 *BtMG* are:

(i) It must be ensured that one person is appointed at the company who is responsible for compliance with the regulations governing narcotics and the orders of the supervisory authorities for every place of business. Such responsible person must have the necessary expertise. According to sec. 6 *BtMG*, the expertise must be proven, depending on the type of business of the company. For import and distribution of narcotics, the expertise of the responsible person is proven by a certificate of completed vocational training as a merchant in wholesale and foreign trade in the fields of chemistry or pharmacy and by documentation confirming a period of practical work in the trade in narcotic drugs of at least one year. The applicant and the responsible person must be reliable. Concerns about reliability may arise, for example, from physical or mental handicaps, like addiction to alcohol or narcotics, as well as previous convictions, especially for narcotic drug offences.

(ii) Suitable premises, installations and security measures must be available (sec. 5 (1) no. 4 *BtMG*).

(iii) The holder of a license according to sec. 3 *BtMG* has certain obligations *after* the license is issued, which include keeping records for each increase and decrease in stock according to sec. 17 *BtMG* as well as the submission of half-yearly notifications for each site of the quantity of the products to *BfArM* according to sec. 18 *BtMG*.

(iv) The holder of the license shall also inform *BfArM* of any changes of relevant information specified in sec. 7 *BtMG (i.e., the information that shall be provided with the application)*.

(v) An application for a new license shall be required in the event of changes in the scope of trading with narcotic drugs, changes in respect of the person holding the license or the location of the sites.

(c) Wholesale Trading Authorization – Sec. 52 a *AMG*

Medical cannabis also falls under the definition of a medicinal product (sec. 2 (1) AMG), and in this respect:

"Any person, who engages in the wholesale trading of medicinal products […], requires an authorization to do so." (Sec. 52a (1) sent. 1 *AMG*).

If private companies trade medical cannabis as wholesalers, a Wholesale Trading Authorization is required according to sec. 52a *AMG*. Wholesale trade is defined in sec. 4 (22) *AMG*:

"Wholesale trade in medicinal products is any professional or commercial activity for the purpose of doing business which consists of the procuring, storing, supplying or exporting of medicinal products, with the exception of the dispensing of medicinal products to consumers other than physicians, dentists, veterinarians or hospitals."

Usually, the company which applies for the import license regarding the import of medical cannabis also has a German authorization on wholesale trading of medicinal products ("*Großhandelserlaubnis*") in accordance with sec. 52a *AMG*.

(d) Import Authorization – Sec. 72 *AMG*

If medical cannabis is imported from non-EU/EEA countries, an import authorization for medicinal products according to sec. 72 AMG is also required:

"A party wishing to bring: 1. medicinal products within the meaning of sec. 2 (1) or (2) no. 1 […] on a commercial or professional basis, into the purview of the present Act from countries which are not Member States of the European Communities or other States party to the Agreement on the European Economic Area shall require an authorization by the competent authority" (Sec. 72 (1) *AMG*).

(e) Further Possible Licensing Requirements

For medical cannabis treated with ionizing radiation, according to sec. 1 (3) ("*Verordnung über radioaktive oder mit ionisierenden Strahlen behandelte Arzneimittel*" – "*AMRadV*"), a marketing authorization may be required. This applies to cannabis, in the manufacture of which electron, gamma or x-ray radiation has been used to reduce the bacterial count.

For the sake of completeness, we note that several other licenses might also be required, i.e., a marketing authorization for cannabis-based medicinal products or, in case the medical cannabis is processed, packed, labeled etc. in Germany, a manufacturing authorization.

THE UNITED KINGDOM

The UK Regulatory Landscape

The Misuse of Drugs Act 1971 and Misuse of Drugs Regulations 2001

(a) The legalization of medical cannabis

In June 2018, the Home Secretary announced a two-part review of the scheduling of cannabis under the Misuse of Drugs Regulations 2001 (SI 2001/3998) ("**2001 Regulations**"). At that time, cannabis and many of its derivatives were Class B controlled drugs under the Misuse of Drugs Act 1971 ("**MDA**") and listed in Schedule 1 to the 2001 Regulations.

The Class (A, B and C) of a controlled drug under the MDA broadly relates to the particular drug's potential for harm and dictates the penalties for committing related offences (such as unlawful possession). The scheduling (1 – 5) of a controlled drug under the 2001 Regulations relates to the particular drug's medical benefits and the conditions under which such drugs can be accessed for legitimate purposes (i.e., Schedule 1 controlled drugs are considered to have little or no known therapeutic value and are subject to the strictest restrictions).

The first part of the review, conducted by the Chief Medical Officer for England and Chief Medical Advisor to the UK Government, found that there was conclusive evidence of the therapeutic value of cannabis-based products for certain medical conditions and reasonable evidence of therapeutic benefit for several other medical conditions. On this basis, the review recommended that cannabis-based medicinal products be removed from Schedule 1 under the 2001 Regulations.

In light of this recommendation, the UK Government asked the Advisory Council on the Misuse of Drugs ("**ACMD**") to provide short-term advice. Amongst other things, the ACMD recommended that cannabis-derived medicinal products of the appropriate medicinal standard be moved from Schedule 1 to Schedule 2 of the 2001 Regulations. The ACMD also recommended that synthetic cannabinoids remain in Schedule 1 to the 2001 Regulations pending further consideration of their potential rescheduling.

Accepting these recommendations, the UK Government introduced the Misuse of Drugs (Amendments) (Cannabis and License Fees) (England, Wales and Scotland) Regulations 2018 (SI 2018/1055), which came into force on November 1, 2018 and apply to England, Wales and Scotland. These Regulations amended the 2001 Regulations to reschedule "cannabis-based products for medicinal use in humans" as Schedule 2 drugs, thereby allowing such products to be available by prescription, subject to certain controls and restrictions. Parallel changes were made to the relevant legislation applicable in Northern Ireland.

A "cannabis-based product for medicinal use" ("**CBPM**") is defined as a preparation or other product which:

i) is or contains cannabis, cannabis resin, cannabinol or a cannabinol derivative (not being dronabinol or its stereoisomers); and

ii) is produced for medical use in humans; and

iii) is a medicinal product or a substance or preparation for use as an ingredient of, or in the production of an ingredient of, a medicinal product.

All other cannabis-based products not falling within this definition remain Schedule 1 drugs under the 2001 Regulations and are accessible only by Home Office license. However, products falling within the definition of "exempt product" under the 2001 Regulations are not subject to the restrictions on possession, production, supply, import or export. An "exempt product" is:

"a preparation or other product consisting of one or more component parts, any of which contains a controlled drug, where—

(a) the preparation or other product is not designed for administration of the controlled drug to a human being or animal;

(b) the controlled drug in any component part is packaged in such a form, or in combination with other active or inert substances in such a manner, that it cannot be recovered by readily applicable means or in a yield which constitutes a risk to health; and

(c) no one component part of the product or preparation contains more than one milligram of the controlled drug or one microgram in the case of lysergide or any other N -alkyl derivative of lysergamide;"

Cannabis, cannabis resin, cannabinol and cannabinol derivatives (including cannabis-based medicinal products) remain Class B controlled drugs under the MDA.

The UK Government asked the ACMD to carry out a longer-term review of CBPMs, which (amongst other things) will:

- Assess the impact of the change in legislation on CBPMs;
- Provide advice on whether the scheduling of products falling within the definition of CBPM is appropriate;
- Consider whether any further legislative amendments are required regarding CBPMs; and
- Advise on the classification and rescheduling of synthetic cannabinoids under the MDA and 2001 Regulations.

The ACMD provided its report and recommendations on November 27, 2020. In summary, the ACMD recommended that:

- The rescheduling of CBPMs remains appropriate and no further legislative amendments are required at this time. However, in the event that there is a marked increase in the number of CBPMs achieving marketing authorization and being individually considered as candidates for rescheduling, the ACMD will again review the scheduling of CBPMs as a whole;
- The ACMD should be commissioned to conduct a further assessment of the impact of the rescheduling of CBPMs in the two years following the publication of the report as there is not yet sufficient evidence available to fully assess any and all consequences of the legislative change;
- The availability of a patient registry for CBPMs should be recognized as crucial for future assessments of the impact of the rescheduling of such products and the UK government should continue to support the development of an official patient registry;
- Research should be commissioned to assess the impacts of the rescheduling of CBPMs on public knowledge and attitudes towards cannabis, unlicensed CBPMs, licensed CBPMs and licensed cannabis-based medicines and to explore the safety, quality and efficacy of unlicensed CBPMs, licensed CBPMs and licensed cannabis- based medicines; and
- Government departments should conduct a full review of international approaches to legislation facilitating the medicinal usage of cannabis-based medicines.

(b) General requirements and restrictions

The existing requirements for Schedule 2 controlled drugs apply to CBPMs. These include requirements in relation to safe custody, prescriptions, marked bottles and other containers, record keeping and preservation of documents, and destruction. For example:

- A Schedule 2 controlled drug must be stored in a locked receptacle, usually in an appropriate controlled drugs cabinet or approved safe, which can only be opened by the person in lawful possession of the product or a person authorized by that person;
- A person supplying a Schedule 2 controlled drug, otherwise than on prescription, to, for example, a practitioner, hospital, care home or laboratory, must ensure that the requisition for such drug was made in writing and (unless the supplier is a wholesale dealer) send the requisition to the relevant National Health Service ("**NHS**") agency;
- A person supplying a Schedule 2 controlled drug (e.g. a pharmacist) must (amongst other things) take certain steps to confirm that the prescription is compliant, the address of the person issuing the prescription is within the UK, and the signature on the prescription is genuine;

- The package and container of a Schedule 2 controlled drug must be plainly marked with the amount of the drug, including the amount in each dosage unit, and the percentage of each component which is a controlled drug;
- Registers must be kept, for at least two years, in respect of each class of Scheduled 2 controlled drug in accordance with specific requirements; and
- Schedule 2 controlled drugs must only be destroyed in the presence of a person authorized by the Home Office.

(c) Access restrictions

Schedule 2 drugs can generally be prescribed by a medical practitioner. However, additional restrictions for medical cannabis (*i.e.*, cannabis-based products without a marketing authorization) apply. Such products can only be prescribed by a doctor on the Specialist Register of the General Medical Council ("**GMC**") or be supplied in the context of a clinical trial (provided the legislation regulating clinical trials is fully complied with). This restriction is removed for medicinal cannabis products with a marketing authorization, which can be prescribed by a general practitioner for patient use as with other Schedule 2 drugs. The rescheduling of CBPMs therefore brings medical cannabis (*i.e.*, those products without a marketing authorization) into the existing UK "Specials" medicines framework, outlined below.

The Human Medicines Regulations 2012

(a) Special medicines framework

The Human Medicines Regulations 2012 (SI 2012/1916) ("**HM Regulations**") implement Directive 2001/83/EC into UK domestic law. In the case of cannabis-based medicinal products, a marketing authorization means that the product can be prescribed by a general practitioner in the UK. However, as indicated above, there are a number of exemptions to the requirement to obtain a marketing authorization, which recognize the need to allow unauthorized products to be supplied to meet the special needs of a particular patient (among other exemptions). This exemption is known as the "Specials regime" and is based on the aforementioned Article 5(1) of EU Directive 2001/83/EC.

Under the Specials regime, an unauthorized medicinal product should not be supplied where an equivalent authorized medical product can meet the special clinical needs of the particular patient. Guidance published by the Medicines and Healthcare products Regulatory Agency ("**MHRA**") provides that anyone supplying an unlicensed CBPM must be satisfied as to the existence of a special need, and that the MHRA expects that documentary evidence of this special need should be obtained by manufacturers, importers or distributors.

NHS England has also confirmed that it expects that rigorous and auditable safeguards around the prescribing of medical cannabis will be followed, and that such products will only be prescribed for indications where there is clear published evidence of benefit and where established treatment options have been exhausted.[30]

Concern has been expressed that patients in the UK who meet the special needs test are not readily able to access prescriptions for medical cannabis and that the current prescribing guidelines for the specialist doctors are overly restrictive. In light of this, further measures are anticipated noting, in particular, that:

NHS England has been asked to carry out a "process evaluation" as soon as possible to assess barriers to prescribing medical cannabis;

The National Institute for Health Research ("**NIHR"**) and the relevant drug companies have been asked to produce evidence around medical cannabis to improve the evidence base. The NIHR has since issued two calls for research proposals;

NHS England and Health Education England have produced an online training program for doctors to support them in prescribing medical cannabis;

In November 2019, the National Institute for Health and Care Excellence ("**NICE**") published guidelines for prescribing medical cannabis in the UK; and

The results of a Parliamentary inquiry by the Health and Social Care Select Committee ("**HSCSC**") into the usage of medical cannabis in the UK were published on 3 July 2019. The HSCSC made a number of recommendations, including calling on NIHR and the Department of Health and Social Care to encourage and focus research into those specific conditions where the Chief Medical Officer's report found good evidence for the use of cannabis based medicinal products.

(b) General requirements and restrictions

The HM Regulations, along with MHRA guidance on the supply of Specials, impose a number of requirements on manufacturers, importers, wholesalers and other suppliers of medicinal products containing narcotics, including cannabis, including in relation to packaging and labeling, advertising, pharmacovigilance and record keeping. For example:

- Medical cannabis should be labeled in accordance with best practice and, at a minimum, should include the name of the product, a statement of the content/ratio of THC/CBD, the route of administration, the dosage, and special warnings. Separately, when the product is dispensed, the pharmacist should ensure that the usual dispensing label provisions are applied;
- Medical cannabis must not be advertised. There are some limited exemptions, including where trade catalogue or circular is sent to an authorized healthcare professional in order to respond to an unsolicited request for information on the range of products supplied, provided no product claim is made;
- All persons selling or supplying medical cannabis (including manufacturers, importers, distributers, and specialist doctors) must report any suspected adverse drug reactions and failures of efficacy. Wholesalers are under an obligation to keep records and report any serious adverse reactions to the MHRA; and
- Persons selling or supplying medical cannabis in the UK must maintain records for at least five years containing prescribed information, including the names of each product and the brand/supplier, the source of each product, to whom and when each supply was made, and a record of any suspected adverse reactions. Each person must make the records available for inspection by the MHRA on request.

UK Licensing Requirements

The MDA, 2001 Regulations and/or HM Regulations impose restrictions on, and/or require licenses be held by persons manufacturing/producing, importing, distributing, supplying, possessing and exporting medical cannabis. For example:

- A manufacturer or producer of medical cannabis in the UK must hold a manufacturer's (specials) license under the HM Regulations and a Home Office license under the MDA and 2001 Regulations, unless an exemption applies;
- An importer of medical cannabis into the UK must hold a Home Office license under the MDA, in addition to either a (i) wholesale dealer's license (if the product is to be imported from an EEA member state), or (ii) manufacturer's (specials) license (if the product is to be imported from a third country) under the HM Regulations. In addition, following the withdrawal of the UK from the European Union on January 31, 2020 and the end of the transition period on December 31, 2020, a wholesale dealer in Great Britain must employ a Responsible Person (import) (RPi) resident in the UK in relation to products imported from the EEA and may only import Qualified Person (QP) certified medicines from the EEA if certain checks are made by the RPi;

- Distribution by wholesale dealing (i.e. excluding supply of the products to the public) must be through licensed wholesale dealers under the HM Regulations. Home Office licenses for possession and supply will also be required for activities associated with distribution (such as possession and supply), unless an exemption applies;
- Medical cannabis without a marketing authorization can only be prescribed to a patient by a doctor on the Specialist Register of the GMC under the 2001 Regulations. Patients are able to lawfully possess the product for medical use in accordance with a valid prescription; and
- Medical cannabis that is lawfully manufactured in, or imported into, the UK pursuant to a manufacturer's (specials) license or a wholesale dealer's license may be exported to other EU/EEA countries, provided it is lawful in the receiving country and the exporter complies with the relevant national requirements of the receiving country. Medical cannabis exported to non-EU/EEA countries are not "Specials" and so must be manufactured by the holder of an ordinary manufacturer's license, batch released and certified by a qualified person. A Home Office license will also be required for export under the MDA.
- For certain groups, for example, pharmacists and persons carrying out a retail pharmacy business, the 2001 Regulations allow the possession, supply and production of controlled drugs without the need for a Home Office license.

CBD based consumer products

EU Regulatory Landscape

Cannabidiol ("**CBD**") in its own right is not considered a controlled substance at international or national level. It is not included in the Schedules to the Single Convention on Narcotic Drugs of 1961 or the Convention on Psychotropic Substances of 1971. This position has been confirmed by the Expert Committee on Drug Dependence ("**ECDD**") in its comprehensive Critical Review Report of CBD of June 2018, which further states that "there is no evidence of […] any public health-related problems associated with the use of pure CBD." The ECDD accordingly recommended that "preparations considered to be pure CBD should not be scheduled within the international drug conventions" as CBD does not have psychoactive properties and presents no potential for abuse or dependence." Consequently, the WHO has confirmed that its legal status in countries is something for national regulators to decide.

In its *Kanavape* judgment dated November 19, 2020, the Court of Justice of the European Union ("**CJEU**") unequivocally confirmed that CBD is not a narcotic drug, including CBD extracted from the *Cannabis sativa L.* plant in its entirety (and thus not only its seeds and/or fiber), and that EU member states may not prohibit its marketing as such. By means of this landmark judgment, the CJEU ended the on-going debate in Europe whether CBD extracted from the hemp plant should be considered as a narcotic drug because it constitutes a "cannabis extract" within the meaning of Schedule I of the Single Convention. The CJEU ruled that:

> "since CBD does not contain a psychoactive ingredient in the current state of scientific knowledge […], it would be contrary to the purpose and general spirit of the Single Convention to include it under the definition of 'drugs' within the meaning of that convention as a cannabis extract."

The CJEU's judgment has important implications for the use of CBD in consumer products, *i.e.*, cosmetic and food products in particular.

(a) Cosmetic products

Regulation (EC) N° 1223/2009 on cosmetic products (the "**Cosmetics Regulation**") sets forth the regulatory framework for cosmetic products in the EU. The Cosmetics Regulation, among other things, establishes the safety requirements for cosmetic products (*i.e.*, a safety assessment is required prior to commercialization), centralizes the notification of cosmetic products placed on the EU market through the Cosmetics Product Notification Portal ("**CPNP**") and introduces several other obligations for companies that are manufacturing and/or marketing cosmetics in the EU.

The Cosmetics Regulation specifically restricts the use of certain substances in cosmetic products, *i.e.*, Annex 2 contains a list of substances prohibited in cosmetic products while Annex 3 lists restricted substances which can only be used in accordance with the specified restrictions. The prohibited substances listed in Annex 2 include "narcotics, natural and synthetic: all substances listed in Table 1 and 2 of the Single Convention on Narcotic Drugs signed in New York on 30 March 1961", which include "cannabis and cannabis resin and extracts and tinctures of cannabis." Consequently, as the 1961 Single Convention does not schedule CBD specifically, the use of CBD in cosmetics has in principle always been allowed, as confirmed by the specific inclusion of synthetically produced CBD in the EU cosmetics ingredients database ("**CosIng**"). However, by reference to the UN Single Convention, some ambiguity remained as to whether CBD produced as extracts and/or tinctures of – the flowering or fruiting tops of – cannabis could be used in cosmetics.

In its *Kanavape* judgment, the CJEU indeed clarified that "since CBD does not contain a psychoactive ingredient in the current state of scientific knowledge […], it would be contrary to the purpose and general spirit of the Single Convention to include it under the definition of 'drugs' within the meaning of that convention as a cannabis extract". Consequently, following this judgment, in early February 2021, the European Commission expressly confirmed – by means of an update of the CosIng database – that natural CBD, "derived from extract or tincture or resin of cannabis", may be used in cosmetics. The CosIng database further specifies that CBD has the following cosmetic functions: (i) anti-sebum, (ii) antioxidant; (iii) skin conditioning; and (iv) skin protecting.

As a consequence, CBD based cosmetic products can be marketed in the EU provided they comply with the relevant requirements of the Cosmetics Regulation and national laws and regulations as may be applicable.

Pursuant to Brexit, since 1 January 2021, the EU Withdrawal Act provides for EU law to be retained by adaptation into UK law. This means that in the short term UK law will be constituted of retained EU law, and therefore mirror EU law, with some differences in some mechanisms and additional administrative formalities (e.g. UK product notifications). However, at present, Brexit is not expected to have any specific impact on the status of CBD for use in cosmetics in the UK.

(b) Food products

Regulation (EC) No 178/2002 (the "**General Food Law Regulation**") establishes that only safe food can be placed on the EU market and establishes basic criteria for establishing whether a food is safe. It aims to ensure free movement of food manufactured and marketed in the EU and establishes a principle of risk analysis based on scientific and technical evaluations undertaken by the European Food Safety Authority ("**EFSA**"). It is a basic precondition of the General Food Law Regulation that food must be safe, albeit in general, food products do not require prior authorisation in order to be placed on the market in the EU.

Article 2 of the EU General Food Law Regulation specifies that food shall not include […]

> "narcotic or psychotropic substances within the meaning of the United Nations Single Convention on Narcotic Drugs, 1961, and the United Nations Convention on Psychotropic Substances, 1971."

Through its ruling in the *Kanavape* case that CBD is not a narcotic drug under the Single Convention, including CBD extracted from the *Cannabis sativa L.* plant in its entirety, the CJEU also – indirectly – confirmed that CBD, either synthetically or naturally produced, may generally be used in food and beverages in the European Union.

CBD is currently considered a so-called "novel food" in accordance with Regulation (EU) 2015/2283 (the "**Novel Food Regulation**") given that the European Commission takes the view that CBD was not used as a food or food ingredient before May 15, 1997 and a history of consumption has not been demonstrated. The (non-binding) EU Novel Food Catalogue confirms this through its entry for cannabinoids in general:

> "The hemp plant (*Cannabis sativa L.*) contains a number of cannabinoids and the most common ones are as follows: […] cannabidiol (CBD) […]. Without prejudice to the information provided in the novel food catalogue for the entry relating to Cannabis sativa L., extracts of Cannabis sativa L. and derived products containing cannabinoids are considered novel foods as a history of consumption has not been demonstrated. This applies to both the extracts themselves and any products to which they are added as an ingredient (such as hemp seed oil). This also applies to extracts of other plants containing cannabinoids. Synthetically obtained cannabinoids are considered as novel."

CBD extracts and food products (including beverages) containing CBD may therefore only be placed on the market as a food or food ingredient in the EU following a safety assessment by EFSA and authorization by the European Commission in accordance with the Novel Food Regulation. In practice, this results in the European Commission adopting an implementing act authorizing the placing on the market of a novel food and updating the so-called Union list. If the novel food is liable to have an effect on human health, the Commission will request EFSA to carry out a risk assessment first. Following the aforementioned *Kanavape* judgment, the European Commission confirmed in a public statement that the currently pending novel food applications for CBD are being evaluated and processed.

As a consequence, CBD based food products can be marketed in the EU once they have obtained a Novel Food authorization covering their specific use and comply with the relevant requirements of the General Food Law and Novel Food Regulation as well as national laws and regulations as applicable.

In the UK, the UK Food Standards Agency ("**FSA**") has taken the position that CBD containing food products which were on sale in the UK on February 13, 2020 and are linked to an application which is submitted to the FSA by March 31, 2021 which was subsequently validated can remain on sale in England and Wales pending the assessment of these applications, *i.e.*, until they have been considered by independent scientific committees and a decision on authorization has been made. A list of the products that may remain on the UK market until a decision is made on their authorization is published on the FSA website.

Available Information

Our website address is https://col-care.com/. Through this website, our filings with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports, will be accessible (free of charge) as soon as reasonably practicable after materials are electronically filed with or furnished to the SEC. The information provided on our website is not part of this registration statement.

You also may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

ITEM 1A. RISK FACTORS

Risks Related to Our Business

Marijuana remains illegal under federal law, and enforcement of cannabis laws could change.

Columbia Care both directly and indirectly engages in the cannabis industry in the United States where local and state laws permit such activities. Investors are cautioned that in the United States, cannabis is largely regulated at the state level. To Columbia Care's knowledge, 36 states, the District of Columbia, Guam, Puerto Rico, the Northern Mariana Islands and the U.S. Virgin Islands have passed laws broadly legalizing marijuana for medicinal use by eligible patients. In the District of Columbia, the Northern Mariana Islands, Guam and 18 of these states, marijuana has been legalized for adult use, although not all of those jurisdictions have fully implemented their legalization programs. These include the states and territories in which Columbia Care operates. Notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a controlled substance under the CSA and as such, cultivation, distribution, sale and possession of cannabis violates federal law in the United States. The inconsistency between federal and state laws and regulations is a major risk factor.

Federal prosecutors are free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities despite the existence of state-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors under the previous U.S. presidential administration as to the priority they should ascribe to such cannabis activities, and resultantly it is uncertain how active federal prosecutors will be in relation to such activities It is not yet known whether the Department of Justice under President Biden and Attorney General Garland will re- adopt the Cole Memo or announce a substantive marijuana enforcement policy. Justice Garland stated at a confirmation hearing before the United States Senate that "It does not seem to me a useful use of limited resources that we have, to be pursuing prosecutions in states that have legalized and that are regulating the use of marijuana, either medically or otherwise. I don't think that's a useful use."[1] Nevertheless, there can be no assurance that the federal government will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law. Federal law is separate from state law in these circumstances; therefore, the federal government can assert criminal violations of federal law despite state law. If the current administration was to aggressively pursue financiers or equity owners of cannabis-related businesses, and United States Attorneys followed such Department of Justice policies through pursuing prosecutions, then Columbia Care could face (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries; and (ii) the arrest of its employees, directors, officers, managers and investors, who could face charges of ancillary criminal violations of the CSA for aiding and abetting and conspiring to violate the CSA by virtue of providing financial support to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis.

The Department of Justice under the current administration or an aggressive federal prosecutor could allege that Columbia Care and the Board and, potentially its shareholders, "aided and abetted" violations of federal law by providing finances and services to its operating subsidiaries. Under these circumstances, it is possible that the federal prosecutor would seek to seize the assets of Columbia Care, and to recover the "illicit profits" previously distributed to shareholders resulting from any of the foregoing financing or services. In these circumstances, Columbia Care's operations would cease, Columbia Care securityholders may lose their entire investment and directors, officers and/or Columbia Care Shareholders may be left to defend any criminal charges against them at their own expense and, if convicted, be sent to federal prison. Violations of any federal laws could result in

1 John Schroyer, (2021 February 22) Attorney general nominee Garland signals friendlier marijuana stance, *available at* https://mjbizdaily.com/attorney-general-nominee-merrick-garland-signals-friendlier-marijuana-stance/.

significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on Columbia Care, including its reputation and ability to conduct business, its holding (directly or indirectly) of cannabis licenses in the United States, the listing of its securities on the Exchanges or other applicable exchanges, its financial position, operating results, profitability or liquidity or the market price of its listed securities.

Overall, an investor's contribution to and involvement in Columbia Care's activities may result in federal civil and/or criminal prosecution, including forfeiture of his, her or its entire investment.

There is no guarantee that the Rohrabacher-Farr Amendment will be renewed.

The Rohrabacher-Farr Amendment has been adopted by U.S. Congress in successive budgets since 2015. The Rohrabacher-Farr Amendment prohibits the Department of Justice from spending funds appropriated by Congress to enforce the tenets of the CSA against the medical cannabis industry in states which have legalized such activity. This amendment has historically been passed as an amendment to omnibus appropriations bills, which by their nature expire at the end of a fiscal year or other defined term. The Rohrabacher-Farr Amendment was renewed most recently in the Omnibus Appropriations Act of 2021, which funds the agencies of the federal government through September 30, 2021. On September 30, 2021, the Amendment was extended through the signing of a continuing resolution, effective through February 18, 2021. Notably, Rohrabacher-Farr has applied only to medical marijuana programs and has not provided the same protections to enforcement against adult-use activities. There is no guarantee that the Rohrabacher-Farr Amendment will be included in future legislation.

There is a risk of civil asset forfeiture of the Company's assets.

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

The Company is subject to anti-money laundering laws and regulations.

Columbia Care is subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), Sections 1956 and 1957 of U.S.C. Title 18 (the Money Laundering Control Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended, and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada. Banks often refuse to provide banking services to businesses involved in the U.S. cannabis industry due to the present state of the laws and regulations governing financial institutions in the United States. The lack of banking and financial services presents unique and significant challenges to businesses in the medical cannabis industry. The potential lack of a secure place in which to deposit and store cash, the inability to pay creditors through the issuance of checks and the inability to secure traditional forms of operational financing, such as lines of credit, are some of the many challenges presented by the unavailability of traditional banking and financial services.

In February 2014, FinCEN, a division of the U.S. Department of Treasury, issued the FinCEN Guidance, providing instructions to banks seeking to provide services to cannabis-related businesses. The FinCEN Guidance states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. It refers to supplementary

guidance that former Deputy Attorney General James M. Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the CSA. While the FinCEN Guidance has not been rescinded by the Department of Justice at this time, it remains unclear whether the current administration will follow its guidelines. Overall, the Department of Justice continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act that occur in any state, including in states that have legalized the applicable conduct, and the Department of Justice's current enforcement priorities could change for any number of reasons, including a change in the opinions of the President of the United States or the United States Attorney General. A change in the Department of Justice's enforcement priorities could result in the Department of Justice prosecuting banks and financial institutions for crimes that previously were not prosecuted.

On March 18, 2021, the U.S. House of Representatives reintroduced the Secure and Fair Enforcement Banking Act (commonly known as the "**SAFE Banking Act**") which had previously passed in the House in 2019 and which aims to provide safe harbor and guidance to financial institutions that work with legal U.S. cannabis businesses. On March 23, 2021, the bill was reintroduced in the Senate as well. On April 19, 2021 the House passed the SAFE Banking Act by a vote of 321-101. In an attempt to help get the SAFE Banking Act passed in the Senate, Representative Ed Perlmutter proposed that it be included as an amendment to the National Defense Authorization Act (the "**NDAA**"). The Act was added to the NDAA by a voice vote on September 21, 2021, and the NDAA passed the House in a 316-113 vote on September 23, 2021. The bill now moves to the Senate for consideration. There is no guarantee the SAFE Banking Act will become law in its current form, if at all.

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

U.S. border officials could deny entry into the U.S. to employees of, or investors in companies with cannabis operations in the United States.

Since cannabis remains illegal under U.S. federal law, those employed at or investing in legal and licensed cannabis companies could face detention, denial of entry or lifetime bans from the U.S. for their business associations with U.S. cannabis businesses. Entry happens at the sole discretion of the U.S. Customs and Border Protection officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The Government of Canada has warned travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal laws, could mean denial of entry to the U.S. In addition, business or financial involvement in the legal cannabis industry in the United States could also be reason enough for U.S. border guards to deny entry. On September 21, 2018, U.S. Customs and Border Protection released a statement outlining its current position with respect to enforcement of the laws of the United States. It stated that U.S. Customs and Border Protection enforcement of United States laws regarding controlled substances has not changed and because cannabis continues to be a controlled substance under United States law, working in or facilitating the proliferation of the legal cannabis industry in U.S. states where it is deemed legal may affect admissibility to the U.S. As a result, U.S. Customs and Border Protection has affirmed that, a Canadian citizen working in or facilitating the proliferation of the legal cannabis industry in Canada, coming to the U.S. for reasons unrelated to the cannabis industry, will generally be admissible to the U.S.; however, if a traveler is found to be coming to the U.S. for reasons related to the cannabis industry, they may be deemed inadmissible.

The Company may lack of access to U.S. bankruptcy protections.

Since the use of cannabis is illegal under federal law, many courts have denied cannabis businesses bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If Columbia Care were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to Columbia Care's United States subsidiaries and operations, which could have a material adverse effect on the financial condition and prospects of Columbia Care and on the rights of lenders to and securityholders of Columbia Care.

The Company may face heightened scrutiny by regulatory authorities.

For the reasons set forth above, Columbia Care's existing operations in the United States, and any future operations or investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada and the U.S. As a result, Columbia Care may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on Columbia Care's ability to operate or invest in the United States or any other jurisdiction, in addition to those restrictions described herein. It had been reported in Canada that the Canadian Depository for Securities Limited was considering a policy shift that would see its subsidiary, CDS Clearing and Depository Services Inc. ("**CDS**"), refuse to settle trades for cannabis issuers that have activities in the United States. CDS is Canada's central securities depository, clearing and settling trades in the Canadian equity, fixed income and money markets. The TMX Group, the owner and operator of CDS, subsequently issued a statement on August 17, 2017 reaffirming that there is no CDS ban on the clearing of securities of issuers with cannabis related activities in the United States, despite media reports to the contrary and that the TMX Group was working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("**MOU**") with the NEO Exchange, the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers.

As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented at a time when the Common Shares or other securities of Columbia Care are listed on a stock exchange, it would have a material adverse effect on the ability of holders of Common Shares or such other securities to make and settle trades. In particular, the Common Shares or such other securities would become highly illiquid as until an alternative was implemented, investors would have no ability to effect a trade of the Common Shares or such other securities through the facilities of the applicable stock exchange.

Residents of the United States may be unable to settle trades of Columbia Care securities.

Given the heightened risk profile associated with cannabis in the United States, capital markets participants may be unwilling to assist with the settlement of trades for U.S. resident securityholders of companies with operations in the United States cannabis industry which may prohibit or significantly impair the ability of securityholders in the United States to trade the securities of Columbia Care. In the event residents of the United States are unable to settle trades of Columbia Care securities, this may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices and the liquidity of these securities.

The cannabis industry may experience legal, regulatory or political change.

The success of the business strategy of Columbia Care depends on the legality of the cannabis industry. The political environment surrounding the cannabis industry in general can be volatile and the regulatory framework remains in flux. To Columbia Care's knowledge, there are to date a total of 46 states, and the District of Columbia, Puerto Rico, the U.S. Virgin Islands, the Northern Mariana Islands and Guam that have legalized cannabis in some form; however, the risk remains that a shift in the regulatory or political realm could occur and have a drastic impact on the industry as a whole, adversely impacting Columbia Care's business, results of operations, financial condition or prospects. Delays in enactment of new state or federal regulations could restrict the ability of Columbia Care to reach strategic growth targets and lower return on investor capital. The strategic growth strategy of Columbia Care is reliant upon certain federal and state regulations being enacted to facilitate the legalization of medical cannabis. If such regulations are not enacted, or enacted but subsequently repealed or amended, or enacted with prolonged phase-in periods, the growth targets of Columbia Care, and thus, the effect on the return of investor capital, could be detrimental. Columbia Care is unable to predict with certainty when and how the outcome of these complex regulatory and legislative proceedings will affect its business and growth.

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

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

Overall, the cannabis industry is subject to significant regulatory change at the local, state and federal levels. The inability of Columbia Care to respond to the changing regulatory landscape may cause it to be unsuccessful in capturing significant market share and could otherwise harm its business, results of operations, financial condition or prospects.

Columbia Care may have difficulty accessing the services of banks, which may make it difficult to operate its business.

Financial transactions involving proceeds generated by cannabis-related conduct can form the basis for prosecution under the federal money laundering statutes, unlicensed money transmitter statute and the Bank Secrecy Act. Previous guidance issued by the FinCEN clarifies how financial institutions can provide services to cannabis-related businesses consistent with their obligations under the Bank Secrecy Act. Prior to the DOJ's announcement in January 2018 of the rescission of the Cole Memo and related memoranda, supplemental guidance from the DOJ directed federal prosecutors to consider the federal enforcement priorities enumerated in the Cole Memo when determining whether to charge institutions or individuals with any of the financial crimes described above based upon cannabis-related activity. It is unclear what impact the rescission of the Cole Memo will have, but federal prosecutors may increase enforcement activities against institutions or individuals that are conducting financial transactions related to cannabis activities. The increased uncertainty surrounding financial transactions related to cannabis activities may also result in financial institutions discontinuing services to the cannabis industry.

Consequently, those businesses involved in the regulated cannabis industry continue to encounter difficulty establishing banking relationships, which may increase over time. Columbia Care's inability to maintain its current bank accounts would make it difficult for Columbia Care to operate its business, increase its operating costs, and pose additional operational, logistical and security challenges and could result in its inability to implement its business plan.

Columbia Care may have difficulty accessing public and private capital.

Columbia Care has historically and will continue to have access to equity financing from the public capital markets by virtue of its status as a reporting issuer in each of the provinces and territories of Canada (other than Quebec).

Columbia Care has historically, and continues to have, access to equity and debt financing from the prospectus exempt (private placement) markets in Canada and the U.S. Columbia Care also has relationships with sources of private capital (such as funds and high net worth individuals) that could provide financing at a higher cost of capital.

While Columbia Care is not able to obtain bank financing in the U.S. or financing from other U.S. federally regulated entities, it currently has access to equity financing through the private markets in Canada and the U.S. Since the use of cannabis is illegal under U.S. federal law, and in light of concerns in the banking industry regarding money laundering and other federal financial crime related to cannabis, U.S. banks have been reluctant to accept deposit funds from businesses involved with the cannabis industry. Consequently, businesses involved in the cannabis industry often have difficulty finding a bank willing to accept their business. Likewise, cannabis businesses have limited access, if any, to credit card processing services. As a result, cannabis businesses in the U.S. are to a significant degree cash based. This complicates the implementation of financial controls and increases security issues.

Commercial banks, private equity firms and venture capital firms have approached the cannabis industry cautiously to date. However, there are increasing numbers of high-net-worth individuals and family offices that have made meaningful investments in companies and businesses similar to Columbia Care. Although there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to cannabis license holders and license applicants. There can be no assurance that additional financing, if raised privately, will be available to Columbia Care when needed or on terms which are acceptable to Columbia Care. Columbia Care's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

The Company may face unfavorable publicity or consumer perception.

Columbia Care believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception of Columbia Care's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the medical cannabis market or any particular product, or consistent with earlier publicity. Columbia Care's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on Columbia Care, the demand for products, and the business, results of operations, financial condition and cash flows of Columbia Care. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical cannabis in general, or Columbia Care's products specifically, or associating the consumption of medical cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

The results of future clinical research may have a material adverse effect on the Company.

Research regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). Future research studies and clinical trials may reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could have a material adverse effect on the demand for Columbia Care's products with the potential to lead to a material adverse effect on Columbia Care's business, financial condition and results of operations.

Expansion into the adult-use cannabis market may subject the Company to additional regulation.

Columbia Care has obtained and may continue in the future to pursue licenses to permit the sale of adult-use cannabis where local state law permits such activities. Any change in Columbia Care's strategy would involve the adoption of new local state regulations which are evolving rapidly. Sometimes new risks emerge and management may not be able to predict all of them or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. Failure to comply with the requirements of local state law or any failure to maintain its licenses would have a material adverse impact on Columbia Care's business, financial condition and operating results. In addition, with each new market that Columbia Care enters, it will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions imposed on its operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Columbia Care's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on its business, results of operations and financial condition. Additionally, adult use cannabis businesses are not protected by the Rohrabacher-Farr Amendment, meaning the risk of federal prosecution are higher for adult use businesses.

The Company's business is subject to a variety of laws, regulations and guidelines.

Columbia Care's business is subject to a variety of laws, regulations and guidelines relating to the cultivation, manufacture, management, transportation, processing, storage and disposal of cannabis, including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Achievement of Columbia Care's business objectives are contingent, in part, upon compliance with applicable regulatory requirements and obtaining all requisite regulatory approvals. Changes to such laws, regulations and guidelines due to matters beyond the control of Columbia Care may cause material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

Columbia Care is required to obtain or renew government permits and licenses for its current and contemplated operations. Obtaining, amending or renewing the necessary governmental permits and licenses can be a time- consuming process potentially involving numerous regulatory agencies, involving public hearings and costly undertakings on Columbia Care's part. The duration and success of Columbia Care's efforts to obtain, amend and renew permits and licenses are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting or licensing authority. Columbia Care may not be able to obtain, amend or renew permits or licenses that are necessary to its operations. Any unexpected delays or costs associated with the permitting and licensing process could impede the ongoing or proposed operations of Columbia Care. To the extent necessary permits or licenses are not obtained, amended or renewed, or are subsequently suspended or revoked, Columbia Care may be curtailed or prohibited from proceeding with its ongoing operations or planned development and commercialization activities. Such curtailment or prohibition may result in a material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

While Columbia Care's compliance controls have been developed to mitigate the risk of any material violations of any license or certificate it holds arising, there is no assurance that Columbia Care's licenses or certificates will be renewed by each applicable regulatory authority in the future in a timely manner. Any unexpected delays or costs associated with the licensing renewal process for any of the licenses or certificates held by Columbia Care could impede the ongoing or planned operations of Columbia Care and have a material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

The Company may face risks related to FDA and FTC enforcement.

The manufacture, labeling and distribution of Columbia Care's CBD products is regulated by various federal, state and local agencies including, without limitation, the Food and Drug Administration (FDA), the Federal Trade Commission ("**FTC**") and analogous state agencies. The FDA has taken the position that CBD cannot be added to food or marketed in, or as, a dietary supplement because it is an active ingredient in an FDA–approved drug and was the subject of substantial clinical investigations before it was marketed as a food or dietary supplement, a restriction generally referred to as the "IND Preclusion". If the FDA were to begin strict enforcement actions against manufacturers of products containing hemp-derived CBD, whether based on the IND Preclusion or other provisions of the FD&C Act, this would adversely impact Columbia Care's business and financial condition. Failure to comply with FDA requirements may result in, among other things, injunctions, product withdrawals, recalls, product seizures, fines and criminal prosecutions.

Our advertising activities are also subject to regulation by the FTC under the Federal Trade Commission Act. In recent years, the FTC has initiated numerous investigations of CBD products and companies based on allegedly deceptive or misleading claims. Notably, on December 17, 2020, the FTC announced its first law enforcement crackdown on deceptive claims in the growing market for CBD products. The FTC took action against six sellers of CBD products for allegedly making a wide range of scientifically unsupported claims about their ability to treat serious health conditions. Among other things, each of these CBD-selling companies, and the individuals behind them, were required to stop making such unsupported health claims immediately, and several will pay monetary judgments to the agency. While this enforcement action and the warning letters issued by the FDA and FTC have been aimed at companies making unapproved health claims about CBD products, the enforcement strategies of the FDA and FTC can change at any time. Additionally, some states also permit advertising and labeling laws to be enforced by state attorney generals, who may seek relief for consumers, seek class-action certifications, seek class-wide damages and product recalls of Columbia Care's CBD products. Any actions against us by any governmental authorities or private litigants could have an adverse effect on our business, financial condition and results of operations.

Columbia Care may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm Columbia Care's reputation, require Columbia Care to take, or refrain from taking, actions that could harm its operations or require Columbia Care to pay substantial amounts of funds, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on Columbia Care's business, financial condition, results of operations or prospects.

Since Section 280E of the Code, as amended, prohibits businesses from deducting certain expenses associated with trafficking controlled substances, the Company will be precluded from claiming certain deductions otherwise available to non-cannabis businesses and, as a result, an otherwise profitable business may in fact operate at a loss after taking into account its income tax expenses.

Section 280E of the Internal Revenue Code generally prohibits businesses from deducting or claiming tax credits with respect to expenses paid or incurred in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of Schedule I and II of the CSA) which is prohibited by U.S. federal law or the law of any state in which such trade or business is conducted. Section 280E currently applies to businesses operating in the cannabis industry, irrespective of whether such businesses that are licensed and operating in accordance with applicable state laws. The application the Internal Revenue Code Section 280E generally causes such businesses to pay higher effective U.S. federal tax rates than similar businesses in other industries. The impact of Internal Revenue Code Section 280E on the effective tax rate of a cannabis business generally depends on how large the ratio of non-deductible expenses is to the business's total revenues. Columbia Care expects to be subject to Internal Revenue Code Section 280E. The application of Internal Revenue Code Section 280E to Columbia Care may adversely affect Columbia Care's profitability and, in fact, may cause Columbia Care to operate at a loss. While recent legislative proposals, if enacted into law, could eliminate or diminish the application of Internal Revenue Code Section 280E to cannabis businesses, the enactment of any such law is uncertain. Accordingly, Internal Revenue Code Section 280E may to apply to Columbia Care indefinitely.

The Company's service providers may suspend or withdraw their services.

As a result of any adverse change to the approach in enforcement of United States cannabis laws, adverse regulatory or political change, additional scrutiny by regulatory authorities, adverse change in public perception in respect of the consumption of cannabis or otherwise, third party service providers to Columbia Care could suspend or withdraw their services, which may have a material adverse effect on Columbia Care's business, revenues, operating results, financial condition or prospects.

The Company may be unable to enforce its contracts.

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Since cannabis remains illegal in the United States at a federal level, judges in multiple U.S. states have on a number of occasions refused to enforce contracts for the repayment of money when the loan was used in connection with activities that violate federal law, even if there is no violation of state law. There remains doubt and uncertainty that Columbia Care will be able to legally enforce contracts it enters into if necessary. Columbia Care cannot be assured that it will have a remedy for breach of contract, which would have a material adverse effect on Columbia Care's business, revenues, operating results, financial condition and prospects.

Ability to grow Columbia Care's business depends on state laws pertaining to the cannabis industry.

Continued development of the cannabis industry depends upon continued legislative authorization of cannabis at the state level. The status quo of, or progress in, the regulated cannabis industry is not assured and any number of factors could slow or halt further progress in this area. While there may be ample public support for legislative action permitting the manufacture and use of cannabis, numerous factors impact the legislative process. For example, many states that voted to legalize medical and/or adult-use cannabis have seen significant delays in the drafting and implementation of industry regulations and issuance of licenses. In addition, burdensome regulation at the state level could slow or stop further development of the medical cannabis industry, such as limiting the medical conditions for which medical cannabis can be recommended by physicians for treatment, restricting the form in which cannabis can be consumed, imposing significant registration requirements on physicians and patients or imposing significant taxes on the growth, processing and/or retail sales of cannabis, which could have the impact of dampening growth of the cannabis industry and making it difficult for cannabis businesses to operate profitably in those states. Any one of these factors could slow or halt additional legislative authorization of cannabis, which could harm Columbia Care's business, revenues, operating results, financial condition and prospects.

Reliable data on the cannabis industry is not available.

As a result of recent and ongoing regulatory and policy changes in the medical cannabis industry, the market data available is limited and unreliable. Federal and state laws prevent widespread participation and hinder market research. Therefore, market research and projections by Columbia Care of estimated total retail sales, demographics, demand, and similar consumer research, are based on assumptions from limited and unreliable market data, and generally represent the personal opinions of Columbia Care's management team as of the applicable date of such research and projections.

Conversions and potential future sales of shares could adversely affect prevailing market prices for the common shares.

Subject to the restrictions set forth in the articles of Columbia Care (the "**Articles**"), Common Shares may at any time, at the option of the holder, be converted into Proportionate Voting Shares on the basis of 100 Common Shares for one Proportionate Voting Share. Subject to the restrictions set forth in Columbia Care's Articles, each issued and outstanding Proportionate Voting Share may at any time, at the option of the holder, be converted into 100 Common Shares.

Further, Columbia Care cannot predict the size of future issuances of Common Shares or the effect, if any, that future issuances and sales of Common Shares will have on the market price of the Common Shares. Sales of substantial amounts of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. The market price of the Common Shares could be adversely affected upon the expiration of lock up periods applicable to certain Columbia Care shareholders.

Additional issuances of Common Shares, Proportionate Voting Shares, and Preferred Shares may result in dilution.

The Company may issue additional equity or convertible debt securities in the future, which may dilute existing shareholder's holdings. The Articles permit the issuance of an unlimited number of Common Shares, Proportionate Voting Shares, and Preferred Shares (as defined herein), and existing shareholders will have no pre-emptive rights in connection with such further issuances. The Board has discretion to determine the price and the terms of further issuances, and such terms could include rights, preferences and privileges superior to those existing holders of Subordinated Voting Shares.

The Company cannot predict the size or nature of future issuances or the effect that future issuances and sales of Common Shares, Proportionate Voting Shares, and Preferred Shares will have on the market price of the Common Shares registered hereunder. Issuances of a substantial number of additional Common Shares, Proportionate Voting Shares, and Preferred Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, Proportionate Voting Shares, and Preferred Shares, investors will suffer dilution to their voting power and economic interest in the Company.

The Company's Articles provides that the Supreme Court of the Province of British Columbia, Canada and the appellate Courts therefrom are the sole and exclusive forum for any derivative action brought on behalf of the Company, which may limit our investors' flexibility in selecting a forum for any future disputes.

The Company's Articles provides that the Supreme Court of the Province of British Columbia, Canada and the appellate Courts therefrom are the sole and exclusive forum for any derivative action brought on behalf of the company. The choice of forum provision may limit an investor's ability to bring a derivative claim in a judicial forum of its choosing.

The Company may grow low quality cannabis.

Columbia Care currently operates in an early-stage market which has a small representation of medical or adult-use cannabis consumers. Should Columbia Care be unable to grow a quality product demanded by the consumers, this could have a material impact on Columbia Care's revenues and average price per gram.

The Company faces risks inherent in the agricultural business.

Columbia Care's business involves the growing of cannabis, which is an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, including but not limited to, pests, plant diseases, crop failure and similar agricultural risks. Although Columbia Care grows some of its products indoors under climate-controlled conditions and carefully monitors the growing conditions of its products with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the volume, quality and consistency of its products and consequently on Columbia Care's sales, profitability and financial condition.

Climate change could exacerbate certain of the risks inherent in Columbia Care's agricultural operations.

Climate change could result in increasing frequency and severity of weather-related events, resource shortages, changes in rainfall and storm patterns and intensities, water shortages and changing temperatures, and of which can damage or destroy crops, resulting in Columbia Care having no or limited cannabis flower to process. If Columbia Care is unable to harvest cannabis flower through its proprietary operations, its ability to meet customer demand, generate sales, and maintain operations will be impacted. Furthermore, severe weather-related events may result in substantial costs to Columbia Care, including costs to respond during the event, to recover from the event, and to possibly modify existing or future infrastructure requirements to prevent recurrence. Climate changes could also disrupt Columbia Care's operations by impacting the availability and costs of materials needed for production and could increase insurance and other operating costs.

Columbia Care may be directly or indirectly exposed to climate change risk from natural disasters, changes in weather patterns and severe weather, which may result in physical damage to Columbia Care's cultivation and processing facilities. Such damage may result in disrupted operations, and it may be difficult for Columbia Care to continue its business for a substantial period of time, which could materially adversely impact Columbia Care's business, financial condition or operating results and could cause the market value of its Common Shares to decline. In addition, climate change has continued to attract the focus of governments, the scientific community and the general public as an important threat, given the emission of greenhouse gases and other activities continue to negatively impact the planet. Columbia Care faces the risk that its operations will be subject to government initiatives aimed at countering climate change, which could impose constraints on its operational flexibility.

The Company may face risks related to its third-party product manufacturers.

All of Columbia Care's hemp-derived CBD products are produced, packaged, and labeled by third-party vendors. The Company relies on its third-party vendors to obtain and maintain certain permits, licenses or other approvals from regulatory agencies in the jurisdictions in which they operate, including, in the case of certain jurisdictions, the ability to demonstrate compliance with current good manufacturing practice standards. Failure of a third-party vendor to maintain the requisite permits, licenses or other approvals, or otherwise conform to the strict regulatory requirements of any applicable regulatory authority may result in delays, interruptions in supply, product recalls or withdrawals, and could expose the Company to potential product liability claims, damage our reputation and the reputation of our brands or otherwise harm our business.

The Company is exposed to product liability claims.

As a distributor of products designed to be ingested by humans, Columbia Care faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of Columbia Care's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of Columbia Care's products alone or in combination with other medications or substances could occur. Columbia Care may be subject to various product liability claims, including, among others, that Columbia Care's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against Columbia Care could result in increased costs, could adversely affect Columbia Care's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of Columbia Care.

The Company's products may be subject to product recalls.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of Columbia Care's products are recalled due to an alleged product defect or for any other reason, Columbia Care could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. Columbia Care may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all.

Significant failure or deterioration of Columbia Care's quality control systems could have a material adverse effect on the Company.

The quality and safety of Columbia Care's products are critical to the success of its business and operations. As such, it is imperative that Columbia Care's quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although Columbia Care strives to ensure that it and any of its service providers have implemented and adhere to high caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

The Company is subject to environmental risk and regulation.

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

Government approvals and permits are currently, and may in the future, be required in connection with Columbia Care's operations. To the extent such approvals are required and not obtained, Columbia Care may be curtailed or prohibited from its current or proposed production, manufacturing or sale of cannabis or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Columbia Care may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the production or manufacturing of cannabis, or more stringent implementation thereof, could have a material adverse impact on Columbia Care and cause increases in expenses, capital expenditures or production or manufacturing costs or reduction in levels of production or manufacturing or require abandonment or delays in development.

New tax legislation may have an adverse impact on the Company.

There have been several recent legislative, judicial and administrative changes to the U.S. federal income tax laws, including changes pursuant to the enactment of P.L. 115-97, which is informally titled the "Tax Cuts and Jobs Act," in December, 2017. In many respects, the individual and collective impact of these changes in law on the U.S. federal income taxation of corporations and their shareholders is uncertain and may not become evident for some time. Moreover, additional changes to U.S. federal income tax laws are likely to continue in the future, and any such changes could adversely impact Columbia Care or its shareholders.

The Company has limited operating history.

As a high growth enterprise, Columbia Care has a limited history of profitability. Columbia Care is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of earnings. There is no assurance that Columbia Care will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

The Company had negative cash flow from operations during fiscal 2020.

During Fiscal 2020, Columbia Care sustained net losses from operations and had negative cash flow from operating activities. Columbia Care's cash as at December 31, 2020 was approximately US$61.1 million. Columbia Care's cash as at March 1, 2021 was approximately US $175.6 million. Although Columbia Care anticipates it will eventually have positive cash flow from operating activities, to the extent that Columbia Care has negative cash flow in any future period, certain of the proceeds from any offering of securities of Columbia Care may be used to fund such negative cash flow from operating activities.

The Company faces intense competition from other companies.

There is potential that Columbia Care will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than Columbia Care. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, results of operations or prospects of Columbia Care. As a result of the early stage of the industry in which Columbia Care operates, Columbia Care expects to face additional competition from new entrants. To become and remain competitive, Columbia Care will require research and development, marketing, sales and support. Columbia Care may not have sufficient resources to maintain research and development, marketing, sales and support efforts on a competitive basis which could materially and adversely affect the business, financial condition, results of operations or prospects of Columbia Care.

The cannabis industry is undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Company in a number of ways, including losing customers, revenue and market share, or forcing the Company to expend greater resources to meet new or additional competitive threats, all of which could harm the Company's operating results. As competitors enter the market and become increasingly sophisticated, competition in the Company's industry may intensify and place downward pressure on retail prices for its products and services, which could negatively impact its profitability.

New well-capitalized entrants into the medical cannabis industry may develop large-scale operations.

Currently, the cannabis industry generally is comprised of individuals and small to medium-sized entities; however, the risk exists that large conglomerates and companies who also recognize the potential for financial success through investment in this industry could strategically purchase or assume control of larger or a larger number of dispensaries and cultivation and production facilities, which such trend is now being observed by Columbia Care. In doing so, these larger competitors could establish price setting and cost controls which would effectively "price out" many of the individuals and small to medium-sized entities who currently make up the bulk of the participants in the varied businesses operating within and in support of the cannabis industry. While the approach in most state laws and regulations seemingly deters this type of takeover, this industry remains nascent and as indicated above, the future landscape remains largely unknown, especially as relates to the potential for interstate commerce in the cannabis industry in the United States, which might potentially be more advantageous to large conglomerates and companies as compared to Columbia Care.

The Company is vulnerable to rising energy costs.

Cannabis growing operations consume considerable energy, making Columbia Care potentially vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business, results of operations, financial condition or prospects of Columbia Care.

The Company is reliant is on key inputs.

The cannabis business is dependent on a number of key inputs and their related costs including raw materials and supplies related to growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition, results of operations or prospects of Columbia Care. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, Columbia Care might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to Columbia Care in the future. Any inability to secure a replacement for such source in a timely manner or at all could have a material adverse effect on the business, financial condition, results of operations or prospects of Columbia Care.

The Company is reliant on suppliers and skilled labor.

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

The Company's sales are difficult to forecast.

Columbia Care must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, financial condition or prospects of Columbia Care.

The Company faces intellectual property risks.

Columbia Care may have certain proprietary intellectual property, including but not limited to patents and proprietary processes, and plans for trademarks that are not yet public. Columbia Care will rely on this intellectual property, know- how and other proprietary information, and require employees, consultants and suppliers to sign confidentiality agreements. However, these confidentiality agreements may be breached, and Columbia Care may not have adequate remedies for such breaches. Third parties may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology. Third parties may otherwise gain access to Columbia Care's proprietary information and adopt it in a competitive manner. Any loss of intellectual property protection may have a material adverse effect on Columbia Care's business, results of operations, financial condition or prospects.

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the CSA, the benefit of certain federal laws and protections which may be available to most businesses, such as federal trademark and patent protection regarding the intellectual property of a business, may not be available to Columbia Care. As a result, Columbia Care's intellectual property may never be adequately or sufficiently protected against the use or misappropriation by third parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, Columbia Care can provide no assurance that it will ever obtain any protection of its intellectual property, whether on a federal, provincial, state or local level. While many states do offer the ability to protect trademarks independent of the federal government, patent protection is wholly unavailable on a state level, and state-registered trademarks provide a lower degree of protection than would federally-registered marks.

The Company may not be able to protect its patents.

If some or all of Columbia Care's patents expire or are invalidated or are found to be unenforceable, or if some or all of its patent applications do not contain patentable subject matter because the claims are determined to lack utility, novelty, or non-obviousness, or do not result in issued patents or result in patents with narrow, overbroad, or unenforceable claims, or claims that are not supported in regard to written description or enablement by the specification, Columbia Care may be subject to competition from third parties with products in the same class as its own products or devices, including in those jurisdictions in which Columbia Care has no patent protection.

Even if Columbia Care's products, devices, and/or the processes, or methods for treating patients for prescribed indications using these products and/or devices are covered by valid and enforceable patents and have claims with sufficient scope, disclosure and support in the specification, the patents will provide protection only for a limited amount of time. Columbia Care's ability to obtain patents can be highly uncertain and involve complex and in some cases unsettled legal issues and factual questions. Furthermore, different countries have different procedures for obtaining patents, and patents issued in different countries provide different degrees of protection against the use of a patented invention by others. Therefore, the scope and enforceability of Columbia Care's patents may differ across those countries in which Columbia Care is seeking patent protection, and Columbia Care's ability to protect its intellectual property in some countries may be limited accordingly. Changes in either patent laws or in interpretations of patent laws in the United States and other countries may materially diminish the value of our intellectual property or narrow the scope of our patent protection.

Columbia Care may be subject to competition from third parties with products or devices in the same class as its products or devices in those jurisdictions in which it has no patent protection. Even if patents are issued to Columbia Care regarding its products, devices, and/or methods of using them, those patents can be challenged by its competitors who can argue such patents are invalid or unenforceable, lack utility, lack sufficient written description or enablement, or should be limited or narrowly construed. Patents also will not protect Columbia Care's product candidates if competitors devise ways of making or using these product candidates without legally infringing Columbia Care's patents.

Columbia Care also relies on trade secrets to protect its technology, especially where it does not believe that patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. Columbia Care's employees, consultants, contractors, outside scientific collaborators and other advisors may unintentionally or willfully disclose its confidential information to competitors, and confidentiality agreements may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. Enforcing a claim that a third party illegally obtained and is using Columbia Care's trade secrets is expensive and time-consuming, and the outcome is unpredictable. Moreover, Columbia Care's competitors may independently develop equivalent knowledge, methods and know-how. Failure to obtain or maintain trade secret protection could adversely affect Columbia Care's competitive business position.

The Company may not be able to protect its trademarks.

Apart from the federal illegality issues discussed above, Columbia Care's trademark applications may encounter other obstacles, including refusals or oppositions based on third party rights or issues such as the "mere descriptiveness" of a proposed trademark. In that event, Columbia Care has opportunities to respond, but may not be able to overcome the refusals or challenges. Once a trademark is registered, third parties can also bring cancellation proceedings, which may be successful in cancelling Columbia Care's registrations. Unregistered trademarks can be more challenging to protect and enforce, and an adverse decision with respect to registration, based on third party rights, can increase the risk of an infringement action.

The Company may infringe on intellectual property rights of third parties.

There is a risk that Columbia Care is infringing the proprietary rights of third parties because numerous United States and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields that are the focus of Columbia Care's development and manufacturing efforts. Others might have been the first to make the inventions covered by one or more of its pending patent applications and/or might have been the first to file patent applications for these inventions. Furthermore, because of historical policies and laws disfavoring the patenting and publication of cannabis-related technologies, prior art relevant to Columbia Care's or its competitors' patents and patent applications may not be readily identified during normal patent examination processes, resulting in the issuance of claims that might not have issued in a better documented field. In addition, because patent applications take many months to publish and patent applications can take many years to issue, there may be currently pending applications, unknown to Columbia Care, which may later result in issued patents that cover the production, manufacture, synthesis, commercialization, formulation or use of Columbia Care's products. In addition, the production, manufacture, synthesis, commercialization, formulation or use of Columbia Care's products may infringe existing patents of which Columbia Care is not aware. Similarly, a third party could take the position that Columbia Care is infringing its trademark rights, based on other registered or unregistered trademarks. Even if Columbia Care ultimately defeats a third party's claims, defending itself against third-party claims, including litigation in particular, would be costly and time consuming and would divert management's attention from its business, which could lead to delays in Columbia Care's development or commercialization efforts. If third parties are successful in their claims, Columbia Care may have to pay substantial damages, including the potential for treble damages if willful infringement is found, or take other actions that are adverse to Columbia Care's business.

The Company faces competition from synthetic production and technological advances.

The pharmaceutical industry may attempt to dominate the cannabis industry through the development and distribution of synthetic products which emulate the effects and treatment of organic cannabis. If they are successful, the widespread popularity of such synthetic products could change the demand, volume and profitability of the cannabis industry. This could adversely affect the ability of Columbia Care to secure long-term profitability and success through the sustainable and profitable operation of its business. There may be unknown additional regulatory fees and taxes that may be assessed in the future.

The Company may face constraints on marketing products.

The development of Columbia Care's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in the United States limits companies' abilities to compete for market share in a manner similar to other industries. If Columbia Care is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, Columbia Care's sales and results of operations could be adversely affected.

The Company may be exposed to risk of fraudulent or illegal activity by employees, contractors and consultants.

Columbia Care is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent unauthorized conduct that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal, state and provincial healthcare fraud and abuse laws and regulations; (iv) laws that require the true, complete and accurate reporting of financial information or data; or (v) contractual arrangements, including confidentiality requirements. It may not always be possible for Columbia Care to identify and deter misconduct by its employees and other third parties, and the precautions taken by Columbia Care to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting Columbia Care from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with applicable laws or regulations or contractual requirements. If any such actions are instituted against Columbia Care, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on Columbia Care's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of Columbia Care's operations, any of which could have a material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

Certain jurisdictions currently prohibit public company ownership of cannabis businesses.

Certain jurisdictions in the United States prohibit persons that are declared unqualified to hold a cannabis establishment license, which can include any publicly-traded company. In such circumstances, the prohibition against the issuance of a cannabis establishment business license may not be limited to the direct licensee but extend to owners of such licensees including parent-companies. As such, a publicly-traded company may be denied the issuance of a cannabis establishment business license in such jurisdictions which could limit Columbia Care's ability to expand.

The Company depends on information technology systems and may experience cyber-attacks.

Columbia Care's operations depend, in part, on how well it and its suppliers protect networks, equipment, information technology systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. Columbia Care's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact Columbia Care's reputation and results of operations. Columbia Care has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that Columbia Care will not incur such losses in the future. Columbia Care's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, Columbia Care may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

A security breach may have a material adverse effect on the Company.

Given the nature of Columbia Care's products and its lack of legal availability outside of channels approved by the United States federal government, as well as the concentration of inventory in its facilities, despite meeting or exceeding all legislative security requirements, there remains a risk of shrinkage as well as theft. A security breach at one of Columbia Care's facilities could expose Columbia Care to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential customers from choosing Columbia Care's products. In addition, Columbia Care collects and stores personal information about its customers and is responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly customer lists and preferences, is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on Columbia Care's business, financial condition, results of operations and prospects.

The Company is subject to high bonding and may face difficulty obtaining insurance coverage.

There is a risk that a greater number of state regulatory agencies will begin requiring entities engaged in certain aspects of the business or industry of cannabis to post a bond or significant fees when, for example, applying for a dispensary license or renewal as a guarantee of payment of sales and franchise tax. Columbia Care is not able to quantify at this time the potential scope for such bonds or fees in the states in which it currently or may in the future operate. Any bonds or fees of material amounts could have a negative impact on the ultimate success of Columbia Care's business.

Columbia Care's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, labor disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability. Although Columbia Care maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. Columbia Care may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of Columbia Care is not generally available on acceptable terms. Columbia Care might also become subject to liability for pollution, fire, explosion or other hazards which it may not be insured against or which Columbia Care may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Columbia Care to incur significant costs that could have a material adverse effect upon its business, results of operations, financial condition or prospects.

Due to the Company's involvement in the cannabis industry, it may have a difficult time obtaining the various insurances that are desired to operate its business, which may expose Columbia Care to additional risk and financial liability. Insurance that is otherwise readily available, such as general liability, and directors and officer's insurance, may be more difficult to find, and more expensive, because of the regulatory regime applicable to the industry. There are no guarantees that Columbia Care will be able to find such insurance coverage in the future, or that the cost will be affordable. If the Company is forced to go without such insurance coverage, it may prevent it from entering into certain business sectors, may inhibit growth, and may expose Columbia Care to additional risk and financial liabilities.

Columbia Care may not pay dividends.

The declaration and payment of dividends or distributions by Columbia Care will be at the discretion of the Board subject to restrictions under applicable laws, and may be affected by numerous factors, including Columbia Care's revenues, financial condition, acquisitions, capital investment requirements and legal, regulatory or contractual restrictions. A failure to pay dividends or a reduction or cessation of the payment of dividends could materially adversely affect the trading price of Common Shares.

The Company may be subject to international regulations.

Columbia Care intends to expand internationally and, as a result, it is and will become further subject to the laws and regulations of (as well as international treaties among) the foreign jurisdictions in which it operates or imports or exports products or materials. In addition, Columbia Care may avail itself of proposed legislative changes in certain jurisdictions to expand its product portfolio, which expansion may include business and regulatory compliance risks as yet undetermined. Failure by Columbia Care to comply with the current or evolving regulatory framework in any jurisdiction could have a material adverse effect on Columbia Care's business, financial condition and results of operations. There is the possibility that any such international jurisdiction could determine that Columbia Care was not or is not compliant with applicable local regulations. If Columbia Care's sales or operations were found to be in violation of such international regulations Columbia Care may be subject to enforcement actions in such jurisdictions including, but not limited to civil and criminal penalties, damages, fines, the curtailment or restructuring of Columbia Care's operations or asset seizures and the denial of regulatory applications.

The Company's use of customer information and other personal and confidential information may have an adverse impact.

Columbia Care collects, processes, maintains and uses data, including sensitive information on individuals (with consent when applicable) available to Columbia Care through online activities and other customer interactions with its business. Columbia Care's current and future programs may depend on its ability to collect, maintain and use this information, and its ability to do so is subject to evolving international, U.S. and Canadian laws and enforcement trends. Columbia Care strives to comply with all applicable laws and other legal obligations relating to privacy, data protection and customer protection. It is possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another, conflict with other rules, conflict with Columbia Care's practices or fail to be observed by its employees or business partners. If so, Columbia Care may suffer damage to its reputation and be subject to proceedings or actions against it by governmental entities or others. Any such proceeding or action could hurt Columbia Care's reputation, force it to spend significant amounts to defend its practices, distract its management or otherwise have an adverse effect on its business.

The Company is treated as a U.S. domestic corporation for U.S. federal income tax purposes.

Columbia Care is treated as a U.S. domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Internal Revenue Code. Consequently, Columbia Care is subject to U.S. federal income tax on its worldwide taxable income. Since Columbia Care is a resident of Canada for purposes of the Tax Act, Columbia Care is also subject to Canadian income tax. Consequently, Columbia Care is liable for both U.S. and Canadian income tax, which could have a material adverse effect on its financial condition and results of operations, and could inhibit efficient use of its capital.

The Company may be subject to net operating loss and certain other tax attribute limitations.

Section 382 of the Internal Revenue Code contains rules that limit for U.S. federal income tax purposes the ability of a corporation that undergoes an "ownership change" to utilize its net operating losses (and certain other tax attributes) existing as of the date of such ownership change. Under these rules, a corporation is treated as having had an "ownership change"' if there is a cumulative change of more than a 50 percentage points in stock ownership by one or more "five percent shareholders," within the meaning of Section 382 of the Internal Revenue Code, during a rolling three-year period. If finalized, Treasury Regulations currently proposed under Section 382 of the Code may further limit Columbia Care's ability to utilize its pre-change net operating losses or other tax attributes if Columbia Care were to undergo a future ownership change. Columbia Care may have experienced ownership changes in the past, and it may experience ownership changes in the future and/or subsequent shifts in its stock ownership (some of which may be outside the control of Columbia Care). Thus, Columbia Care's ability to utilize carryforwards of its net operating losses and other tax attributes to reduce future tax liabilities may be substantially restricted. At this time, Columbia Care has not completed a study to assess the impact, if any, of ownership changes on its net operating losses and certain other tax attributes under Section 382 of the Internal Revenue Code.

Dividends may be subject to Canadian and/or United States withholding tax.

Dividends received on the Common Shares by a Non-U.S. Holder (including a Canadian Resident Holder) of Common Shares will be subject to U.S. withholding tax. A foreign tax credit under the Tax Act in respect of such U.S. withholding taxes may not be available to such holder. Any such dividends may not qualify for a reduced rate of withholding tax under the *Canada-United States Income Tax Convention (1980)* as amended, or, the Treaty.

Dividends received on the Common Shares by Non-Canadian Resident Holders who are U.S. Holders will not be subject to U.S. withholding tax but will be subject to Canadian withholding tax. Any such dividends may not qualify for a reduced rate of withholding tax under the Treaty. For U.S. federal income tax purposes, a U.S. Holder may elect for any taxable year to receive either a credit or a deduction for all foreign income taxes paid by the holder during the year. Dividends paid in respect of the Common Shares will be characterized as U.S. source income for purposes of the foreign tax credit rules under the Internal Revenue Code. Accordingly, U.S. Holders generally will not be able to claim a credit for any Canadian tax withheld unless, depending on the circumstances, they have an excess foreign tax credit limitation due to other foreign source income that is subject to a low or zero rate of foreign tax. Subject to certain limitations, a U.S. Holder should be able to take a deduction for the U.S. Holder's Canadian tax paid, provided that the U.S. Holder has not elected to credit other foreign taxes during the same taxable year.

A holder that is both a Non-Canadian Resident Holder and a Non-U.S. Holder may be subject to (a) Canadian withholding tax, and (b) U.S. withholding tax on dividends received on the Common Shares. These dividends may not qualify for a reduced rate of U.S. withholding tax under any income tax treaty otherwise applicable to a holder, subject to examination of the relevant treaty. These dividends may, however, qualify for a reduced rate of Canadian withholding tax under any income tax treaty otherwise applicable to a holder, subject to examination of the relevant treaty. Non-Canadian Resident Holders and Non-U.S. Holders should consult their own tax advisors with respect to the availability of any foreign tax credits or deductions in respect of any Canadian or U.S. withholding tax applicable to dividends on the Common Shares.

Transfers of Common Shares may be subject to United States gift, estate and transfer taxes.

Because the Common Shares will be treated as shares of a U.S. domestic corporation, the U.S. gift, estate and generation-skipping transfer tax rules generally will apply to a Non-U.S. Holder of Common Shares.

Changes in tax laws may affect the Company and its shareholders.

There can be no assurance that that the Canadian and U.S. federal income tax treatment of Columbia Care or an investment in Columbia Care will not be modified, prospectively or retroactively, by legislative, judicial or administrative action, in a manner adverse to Columbia Care or its shareholders.

If enacted, the proposed "Made in America Tax Plan" would increase the Company's U.S. federal corporate tax rate requiring the Company to pay more in U.S. federal income taxes, thus reducing the Company's net revenue.

On March 31, 2021, the current U.S. presidential administration proposed the "American Jobs Plan" to create domestic jobs, rebuild national infrastructure and increase American competitiveness. To fund its expected $2 trillion cost, the administration also proposed the "Made in America Tax Plan," which is intended to raise that amount or more over 15 years through several methods including higher income tax rates on corporations. If enacted, Columbia Care's U.S. federal corporate income tax rate would increase from 21% to 28%. Any increase in Columbia Care's federal corporate tax rate would require Columbia Care to pay more in federal taxes, thus reducing Columbia Care's net revenue.

The Company may be classified as a USRPHC.

Columbia Care is treated as a U.S. domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Internal Revenue Code. As a result, the taxation of Columbia Care's Non-U.S. Holders upon a disposition of Common Shares generally depends on whether Columbia Care is classified as a United States real property holding corporation (a "**USRPHC**") under the Internal Revenue Code. Columbia Care does not believe that it is or has been and does not anticipate becoming a USRPHC. However, Columbia Care is not expected to seek formal confirmation of its status as a non-USRPHC from the IRS. If Columbia Care were to be considered a USRPHC, Non-U.S. Holders may be subject to U.S. federal income tax on any gain associated with the disposition of Common Shares.

Market price of the common shares may be highly volatile.

Market prices for cannabis companies have at times been volatile and subject to substantial fluctuations. The stock market, from time-to-time, experiences significant price and volume fluctuations unrelated to the operating performance of particular companies. Future announcements concerning Columbia Care or its competitors, including those pertaining to financing arrangements, government regulations, developments concerning regulatory actions affecting Columbia Care, litigation, additions or departures of key personnel, cash flow, and economic conditions and political factors in the United States may have a significant impact on the market price of the Common Shares. In addition, there can be no assurance that the Common Shares will continue to be listed on the Exchanges.

The market price of the Common Shares could fluctuate significantly for many other reasons, including for reasons unrelated to Columbia Care's specific performance, such as reports by industry analysts, investor perceptions, or negative announcements by its subscribers, competitors or suppliers regarding their own performance, as well as general economic and industry conditions. For example, to the extent that other large companies within its industry experience declines in their stock price, the share price of the Common Shares may decline as well. In addition, when the market price of a company's shares drops significantly, shareholders often institute securities class action lawsuits against the company. A lawsuit against Columbia Care could cause it to incur substantial costs and could divert the time and attention of its management and other resources.

Further equity financing may dilute the interests of Columbia Care shareholders and depress the price of the common shares.

If Columbia Care raises additional financing through the issuance of equity securities (including securities convertible or exchangeable into equity securities) or completes an acquisition or merger by issuing additional equity securities, such issuance may substantially dilute the interests of shareholders of Columbia Care and reduce the value of their investment. Columbia Care's Articles permit the issuance of an unlimited number of Common Shares, and Columbia Care Shareholders will have no pre-emptive rights in connection with a future issuance. The Board has the discretion to determine the price and the terms of issue of future issuances. Moreover, additional Common Shares may be issued by Columbia Care on the exercise of awards under Columbia Care's Omnibus Plan and upon the exercise of certain outstanding CGGC Warrants (as defined herein). The market price of the Common Shares could decline as a result of issuances of new shares or sales by shareholders of Common Shares in the market or the perception that such sales could occur. Sales by shareholders of Columbia Care might also make it more difficult for Columbia Care itself to sell equity securities at a time and price that it deems appropriate.

Columbia Care may lose foreign private issuer status in the future, which could result in significant additional costs and expenses

The Proportionate Voting Shares are issued and outstanding in order to meet the definition of "foreign private issuer," as such term is defined in Rule 405 of Regulation C under the U.S. Securities Act. Columbia Care will be a "foreign private issuer," and is not subject to the same requirements that are imposed upon U.S. domestic issuers by the SEC. Columbia Care may in the future lose its foreign private issuer status if a majority of its Common Shares are held in the U.S. and satisfies at least one of the additional requirements: (1) a majority of its directors or executive officers are U.S. citizens or residents; (2) a majority of its assets are located in the U.S.; or (3) its business is administered principally in the U.S.

If Columbia Care loses its foreign private issuer status and becomes a U.S. domestic issuer, its ability to rely on certain exemptions from U.S. federal securities laws for the offering and sale of securities outside of the United States may be limited or impaired and increase the restrictions and burdens on any purchaser of Columbia Care's securities at such time as it is a domestic issuer.

Conflicts of interest may exist between the Company and its directors or officers.

Certain of Columbia Care's directors and officers are, and may continue to be, or may become, involved in other business ventures through their direct and indirect participation in, among other things, corporations, partnerships and joint ventures, that are or may become competitors of the products and services Columbia Care provides or intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from Columbia Care's interests. In accordance with applicable corporate law, directors who have a material interest in a contract or transaction or a proposed contract or transaction with Columbia Care that is material to Columbia Care are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the transaction. In addition, the directors and officers are required to act honestly and in good faith with a view to Columbia Care's best interests.

However, in conflict-of-interest situations, Columbia Care's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to Columbia Care. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavorable to Columbia Care.

Certain remedies may be limited.

Columbia Care's governing documents may provide that the liability of its members of the Board and its officers is eliminated to the fullest extent permitted under the laws of the Province of British Columbia. Thus, Columbia Care and its Shareholders may be prevented from recovering damages for certain alleged errors or omissions made by the members of the Board and its officers. Columbia Care's governing documents may also provide that Columbia Care will, to the fullest extent permitted by law, indemnify members of its Board and its officers for certain liabilities incurred by them by virtue of their acts on behalf of Columbia Care.

The anticipated benefits of the Green Leaf Medical Acquisition may not occur.

Columbia Care may fail to realize growth opportunities and synergies currently anticipated due to, among other things, challenges associated with integrating the operations and personnel of Columbia Care and Green Leaf Medical and the ability of Columbia Care to attract capital.

General Risk Factors

The Company is reliant on management.

The success of Columbia Care is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on Columbia Care's business, operating results, financial condition or prospects.

The Company may become party to litigation from time to time.

Columbia Care is, may become, a party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which Columbia Care is or becomes involved be determined against Columbia Care, such a decision could adversely affect Columbia Care's ability to continue operating and the market price for the Common Shares and other listed securities of Columbia Care. Even if Columbia Care is involved in litigation and wins, litigation can redirect significant company resources. Litigation may also create a negative perception of Columbia Care's brand.

The Company may be unable to manage its growth effectively.

Columbia Care may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Columbia Care to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Columbia Care to deal with this growth may have a material adverse effect on Columbia Care's business, financial condition, results of operations or prospects.

The Company is subject to significant costs of being a public company.

As a public issuer, Columbia Care is subject to the reporting requirements and rules and regulations under applicable U.S. and Canadian securities laws and the rules of any stock exchange on which Columbia Care's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations may increase Columbia Care's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business and financial condition. In particular, Columbia Care is subject to reporting and other obligations under applicable U.S. and Canadian securities laws. These reporting and other obligations place significant demands on Columbia Care as well as on Columbia Care's management, administrative, operational and accounting resources. Effective internal controls, including financial reporting and disclosure controls and procedures, are necessary for Columbia Care to provide reliable financial reports, to effectively reduce the risk of fraud and to operate successfully as a public company. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Columbia Care's results of operations or cause it to fail to meet its reporting obligations. If Columbia Care or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in Columbia Care's consolidated financial statements and materially adversely affect the trading price of the Common Shares and of other listed securities of Columbia Care.

The trading market for common shares influenced by securities industry analyst research reports.

The trading market for Common Shares is influenced by the research and reports that industry or securities analysts publish about Columbia Care. If covered, a decision by an analyst to cease coverage of Columbia Care or fail to regularly publish reports on Columbia Care could cause Columbia Care to lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline. Moreover, if an analyst who covers Columbia Care downgrades its stock, or if operating results do not meet analysts' expectations, the stock price could decline.

Past performance may not indicative of future results.

The prior operational performance of Columbia Care is not indicative of any potential future operating results of Columbia Care. There can be no assurance that the historical operating results achieved by Columbia Care or its affiliates will be achieved by Columbia Care, and Columbia Care's future performance may be materially different.

Financial projections may prove materially inaccurate or incorrect.

Any of Columbia Care's financial estimates, projections and other forward-looking information or statements included herein were prepared by Columbia Care without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking information or statements. Such forward-looking information or statements are based on assumptions of future events that may or may not occur, which assumptions may not be disclosed herein. Investors should inquire of Columbia Care and become familiar with the assumptions underlying any estimates, projections or other forward-looking information or statements. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operation expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results Columbia Care might achieve.

Global financial conditions may have an adverse impact on the Company.

Following the onset of the global credit crisis in 2008, global financial conditions were characterized by extreme volatility and several major financial institutions either went into bankruptcy or were rescued by governmental authorities. While global financial conditions subsequently stabilized, there remains considerable risk in the system given the extraordinary measures adopted by government authorities to achieve that stability. Global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises.

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

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

Disease outbreaks may negatively impact the Company.

A local, regional, national or international outbreak of a contagious disease, including the novel coronavirus COVID-19, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu or any other similar illness, could decrease the willingness of the general population to travel, cause staff shortages, reduced customer traffic, supply shortages, and increased government regulation all of which may negatively impact the business, financial condition and results of operations of the Company.

Specifically, at the time this registration statement is prepared, the Company cautions that Columbia Care's business could be materially and adversely affected by the risks, or the public perception of the risks, related to the recent outbreak of COVID-19. The risk of a pandemic, or public perception of the risk, could cause customers to avoid public places, including retail properties, and could cause temporary or long-term disruptions in our supply chains and/or delays in the delivery of our inventory. Further, such risks could also adversely affect Columbia Care's customers' financial condition, resulting in reduced spending for the merchandise we sell. Moreover, an epidemic, pandemic, outbreak or other public health crisis, such as COVID-19, could cause employees to avoid Company properties, which could adversely affect the Company's ability to adequately staff and manage its businesses. "Shelter-in-place" or other such orders by governmental entities could also disrupt our operations, if employees who cannot perform their responsibilities from home, are not able to report to work. Risks related to an epidemic, pandemic or other health crisis, such as COVID-19, could also lead to the complete or partial closure of one or more of our stores, facilities or operations of the Company's sourcing partners. Although Columbia Care's medical dispensaries may be considered essential services and therefore be allowed to remain operational, our adult-use operations may not be allowed to remain open during the COVID-19 crisis. For example, Massachusetts Governor, Charlie Baker on March 23, 2020 issued an order declaring adult-use dispensaries non-essential, and thereby requiring all adult-use dispensaries to stop sales. The Company's operations in certain markets, particularly Illinois and California, have been affected by rules related to social distancing and limiting our retail operations to curb-side pick- up. Institution of such rules in any of the Company's markets may have a material impact on our sales, financial position and cash reserves.

The ultimate extent of the impact of any epidemic, pandemic or other health crisis on our business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. These and other potential impacts of an epidemic, pandemic or other health crisis, such as COVID-19, could therefore materially and adversely affect Columbia Care's business, financial condition and results of operations.

ITEM 2. FINANCIAL INFORMATION

Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of Columbia Care Inc. ("Columbia Care", the "Company", "us", "our" or "we") is supplemental to, and should be read in conjunction with, Columbia Care's audited consolidated financial statements and the accompanying notes for the years ended December 31, 2020 and 2019, and December 29, 2018 and interim condensed consolidated financial statements as of and for the three and nine months ended September 30, 2021 and 2020. Except for historical information, the discussion in this section contains forward-looking statements that involve risks and uncertainties. Future results could differ materially from those discussed below for many reasons, including the risks described in "Disclosure Regarding Forward-Looking Statements," Item 1A-Risk Factors" and elsewhere in this registration statement.

Columbia Care's financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). Financial information presented in this MD&A is presented in thousands of United States dollars ("$" or "US$"), unless otherwise indicated.

OVERVIEW OF COLUMBIA CARE

Our principal business activity is the production and sale of cannabis. We strive to be the premier provider of cannabis-related products in each of the markets in which we operate. Our mission is to improve lives by providing cannabis-based health and wellness solutions through community partnerships, research, education and the responsible use of our products as a natural means to alleviate symptoms and improve the quality of life of our patients and customers.

COLUMBIA CARE OBJECTIVES AND FACTORS AFFECTING OUR PERFORMANCE

As one of the largest fully integrated operators in the global medical cannabis industry, our strategy to grow our business is comprised of the following key components:

- Expansion and development within and outside our current markets
- Patient-centric, provider-based model to leverage health and wellness focus
- Consistency of proprietary product portfolio, comprised of branded consumer products and pharmaceutical quality proprietary products
- Intellectual property and data-driven innovation

Our performance and future success are dependent on several factors. These factors are also subject to inherent risks and challenges, some of which are discussed below.

Branding

We have established a national branding strategy across each of the jurisdictions in which we operate. Maintaining and growing our brand appeal domestically and internationally is critical to our continued success.

Regulation

We are subject to the local and federal laws in the jurisdictions in which we operate. Outside of the United States, our products may be subject to tariffs, treaties and various trade agreements as well as laws affecting the importation of consumer goods. We hold all required licenses for the production and distribution of our products in the jurisdictions in which we operate and continuously monitor changes in laws, regulations, treaties and agreements.

Product Innovation and Consumer Trends

Our business is subject to changing consumer trends and preferences, which is dependent, in part, on continued consumer interest in new products. The success of new product offerings, depends upon a number of factors, including our ability to (i) accurately anticipate customer needs; (ii) develop new products that meet these needs; (iii) successfully commercialize new products; (iv) price products competitively; (v) produce and deliver products in sufficient volumes and on a timely basis; and (vi) differentiate product offerings from those of competitors.

Growth Strategies

We have a successful history of growing revenue and we believe we have a strong domestic and international strategy aimed at continuing our history of expansion in both current and new markets. Our future depends, in part, on our ability to implement our growth strategy including (i) product innovations; (ii) penetration of new markets; (iii) growth of wholesale revenue through third party retailers and distributors; (iv) future development of e-commerce and home delivery distribution capabilities; and (v) expansion of our cultivation and manufacturing capacity. Our ability to implement this growth strategy depends, among other things, on our ability to develop new products that appeal to consumers, maintain and expand brand loyalty, maintain and improve product quality and brand recognition, maintain and improve competitive position in the markets, and identify and successfully enter and market products in new geographic areas and segments.

SELECTED FINANCIAL INFORMATION

The following tables set forth selected consolidated financial information derived from our condensed interim consolidated financial statements and the respective accompanying notes prepared in accordance with U.S. GAAP.

During the periods discussed herein, our accounting policies have remained consistent. The selected and summarized consolidated financial information below may not be indicative of our future performance.

Statement of operations:

	Three months ended				Nine months ended			
	September 30, 2021	September 30, 2020	$ Change	% Change	September 30, 2021	September 30, 2020	$ Change	% Change
Revenues, net	$ 132,322	$ 48,703	$ 83,619	172%	$ 320,804	$ 103,439	$ 217,365	210%
Cost of sales related to inventory production	(70,955)	(32,489)	(38,466)	118%	(184,042)	(70,401)	(113,641)	161%
Gross profit	61,367	16,214	45,153	278%	136,762	33,038	103,724	314%
Selling, general and administrative expenses	(61,745)	(34,260)	(27,485)	80%	(162,282)	(96,519)	(65,763)	68%
Loss from operations	(378)	(18,046)	17,668	-98%	(25,520)	(63,481)	37,961	-60%
Other expense, net	(56,991)	(5,150)	(51,841)	1007%	(67,301)	(6,812)	(60,489)	888%
Income tax benefit (expense)	12,999	12,943	56	0%	631	11,843	(11,212)	-95%
Net loss	(44,370)	(10,253)	(34,117)	333%	(92,190)	(58,450)	(33,740)	58%
Net loss attributable to non-controlling interest	(1,474)	(3,194)	1,720	-54%	(2,368)	(5,975)	3,607	-60%
Net loss attributable to Columbia Care Inc.	$ (42,896)	$ (7,059)	$(35,837)	508%	$ (89,822)	$ (52,475)	$ (37,347)	71%
Loss per share attributable to Columbia Care Inc. - based and diluted	$ (0.13)	$ (0.03)	$ (0.10)	$ 3.40	$ (0.29)	$ (0.23)	$ (0.05)	23%
Weighted average number of shares outstanding - basic and diluted	325,416,684	235,682,767			311,446,922	223,461,261		

Summary of balance sheet items:

	September 30, 2021	December 31, 2020
Total Assets	$ 1,381,120	$ 727,527
Total Liabilities	$ 819,475	$ 440,578
Total Long-Term Liabilities	$ 539,999	$ 308,806
Total Equity	$ 561,645	$ 286,949

The following tables set forth selected consolidated financial information derived from our audited consolidated financial statements, the consolidated financial statements, and the respective accompanying notes prepared in accordance with U.S. GAAP.

During the periods discussed herein, our accounting policies have remained consistent. The selected and summarized consolidated financial information below may not be indicative of our future performance.

Statement of operations:

	For the Year Ended			2020 vs. 2019		2019 vs. 2018	
	December 31, 2020	December 31, 2019	December 29, 2018	$ Change	% Change	$ Change	% Change
Revenues, net	$ 179,503	$ 77,459	$ 39,328	$102,044	132%	$ 38,131	97%
Cost of sales related to inventory production	(114,249)	(57,777)	(22,874)	(56,472)	98%	(34,903)	153%
Cost of sales related to business combination fair value adjustments to inventories	(3,111)	—	—	(3,111)	—	—	—
Gross profit	62,143	19,682	16,454	42,461	216%	3,228	20%
Operating expenses	(142,355)	(123,586)	(58,495)	(18,769)	15%	(65,091)	111%
Other expense (income), net	(55,634)	4,233	(3,291)	(59,867)	-1414%	7,524	-229%
Income tax benefit (expense)	16,197	(1,503)	(2,943)	17,700	-1178%	1,440	-49%
Net loss	(119,649)	(101,174)	(48,275)	(18,475)	18%	(52,899)	110%
Net loss attributable to non-controlling interest	(23,862)	(4,909)	(1,255)	(18,953)	386%	(3,654)	291%
Net loss attributable to Columbia Care Inc.	$ (95,787)	$ (96,265)	$ (47,020)	$ 478	0%	$(49,245)	105%
Loss per share attributable to Columbia Care Inc. - based and diluted	$ (0.41)	$ (0.46)	$ (0.28)	$ 0.05	-10%	$ (0.18)	63%
Weighted average number of shares outstanding - basic and diluted	232,576,117	209,992,187	167,599,871				

Summary of balance sheet items:

	As of December 31,	
	2020	2019
Total Assets	$727,527	$336,223
Total Liabilities	$440,578	$118,640
Total Long-Term Liabilities	$291,697	$ 83,256
Total Equity	$286,949	$217,583

RESULTS OF OPERATIONS

Comparison of the three and nine months ended September 30, 2021 and 2020

The following tables summarizes our results of operations:

	Three Months Ended			
	September 30, 2021	September 30, 2020	$ Change	% Change
Revenues, net	$ 132,322	$ 48,703	$ 83,619	172%
Cost of sales	(70,955)	(32,489)	(38,466)	118%
Gross profit	61,367	16,214	45,153	278%
Operating expenses	(61,745)	(34,260)	(27,485)	80%
Loss from operations	(378)	(18,046)	17,668	-98%
Other expense, net	(56,991)	(5,150)	(51,841)	1007%
Loss before income taxes	(57,369)	(23,196)	(34,173)	147%
Income tax benefit (expense)	12,999	12,943	56	0%
Net loss	(44,370)	(10,253)	(34,117)	333%
Net loss attributable to non-controlling interests	(1,474)	(3,194)	1,720	-54%
Net loss attributable to Columbia Care Inc.	$ (42,896)	$ (7,059)	$(35,837)	508%

Revenues, net

The increase in revenue of $83,619 for the three months ended September 30, 2021, as compared to the prior year period was primarily driven by our recent acquisitions, expansion of our dispensary network, and additional sales through our existing dispensaries. Our revenue is predominantly generated by retail sales which increased by $57,957 during the three months ended September 30, 2021 as compared to the prior year period.

During the three months ended September 30, 2021 we experienced $17,893 of organic growth as a result of increase in same store sales year over year. Same store sales are calculated based upon our stores that have been open for at least 12 full fiscal months. During the three months ended September 30, 2021, we operated 5 additional dispensaries (on a weighted average basis) as compared to the prior year period. These additional dispensaries contributed to a revenue growth of $3,962 as compared to the prior year period. Our acquisitions contributed an additional $61,764 of revenue during the three months ended September 30, 2021 as compared to the prior year period.

Cost of sales

The increase in cost of sales of $38,466 for the three months ended September 30, 2021, as compared to the prior year period was primarily driven by our recent acquisitions, expansion of our dispensary network, and additional sales through our existing dispensaries.

During the three months ended September 30, 2021 we experienced an increase in cost of sales of $12,745 related to an increase in same store sales year over year. Same store sales are calculated based upon our stores that have been open for at least 12 full fiscal months. During the three months ended September 30, 2021, we operated 5 additional dispensaries (on a weighted average basis) as compared to the prior year period. These additional dispensaries contributed increased cost of sales of $1,354 as compared to the prior year period. Our acquisitions contributed to an increase in cost of sales of $24,368 during the three months ended September 30, 2021 as compared to the prior year period.

Gross profit for the three months ended September 30, 2021, increased to 46.38% from 33.29% as compared to the prior year period, an increase of 13.09%. Gross profit increased 4.74% related to growth in our existing markets and new market developments. In addition, gross profit increased by 8.35% due to our recent acquisitions.

Operating Expenses

The increase of $27,485 in operating expenses for the three months ended September 30, 2021 as compared to the prior year period was primarily attributable to an increase in salary and benefits of $9,642, depreciation and amortization of $9,143, and operating facility costs of $1,960, advertising and promotion expense of $2,866 as we expanded our operations and increased the size and scope of our administrative functions.

Other Expense, Net

The increase in other expense, net for the three months ended September 30, 2021 as compared to the prior year period was primarily due to accrual of $75,308, which was partially offset by the gain on remeasurement of contingent consideration $23,582 and change in fair value of derivative liability of $7,403.

Income Tax Provision

For the three months ended September 30, 2021 the Company recorded income tax benefit of $12,999 on loss before income taxes of $57,369 for an effective tax rate of 22.7% as compared to an income tax benefit of $12,943 on loss before income taxes of $23,196 for an effective tax rate of 55.8% for the three months ended September 30, 2020. The difference in effective tax rates for the comparative periods is primarily driven by increasing negative impacts of IRC Section 280E as the company continues to grow, which results in significant nondeductible expense for tax purposes. The impacts of 280E were slightly offset by the tax benefit of an acquisition and settlement accrual booked during the three-month period ended September 30, 2021 and the release of the domestic valuation allowance pursuant to a third quarter acquisition for the three month period ended September 30, 2020.

	Nine months ended			
	September 30, 2021	September 30, 2020	$ Change	% Change
Revenues, net	$ 320,804	$ 103,439	$ 217,365	210%
Cost of sales	(184,042)	(70,401)	(113,641)	161%
Gross profit	136,762	33,038	103,724	314%
Operating expenses	(162,282)	(96,519)	(65,763)	68%
Loss from operations	(25,520)	(63,481)	37,961	-60%
Other expense, net	(67,301)	(6,812)	(60,489)	888%
Loss before income taxes	(92,821)	(70,293)	(22,528)	32%
Income tax benefit (expense)	631	11,843	(11,212)	-95%
Net loss	(92,190)	(58,450)	(33,740)	58%
Net loss attributable to non-controlling interests	(2,368)	(5,975)	3,607	-60%
Net loss attributable to Columbia Care Inc.	$ (89,822)	$ (52,475)	$ (37,347)	71%

Revenue

The increase in revenue of $217,365 for the nine months ended September 30, 2021, as compared to the prior year period was primarily driven by our recent acquisitions, expansion of our dispensary network, and additional sales through our existing dispensaries. Our revenue is predominantly generated by retail sales. Our revenue is predominantly generated by retail sales which increased by $164,663 during the nine months ended September 30, 2021.

During the nine months ended September 30, 2021 we experienced $69,683 of organic growth as a result of increase in same store sales year over year. Same store sales are calculated based upon our stores that have been open for at least 12 full fiscal months. During the nine months ended September 30, 2021, we operated 8 additional dispensaries (on a weighted average basis) as compared to the prior year period. These additional dispensaries contributed to a revenue growth of $7,769 as compared to the prior year period. Our acquisitions contributed an additional $139,913 of revenue during the nine months ended September 30, 2021 as compared to the prior year period.

Cost of Sales

The increase in cost of sales of $113,641 for the nine months ended September 30, 2021, as compared to the prior year period was primarily driven by our recent acquisitions, expansion of our dispensary network, and additional sales through our existing dispensaries.

During the nine months ended September 30, 2021, we experienced an increase in cost of sales of $68,821 related to an increase in same store sales year over year. Same store sales are calculated based upon our stores that have been open for at least 12 full fiscal months. During the nine months ended September 30, 2021, we operated 8 additional dispensaries (on a weighted average basis) as compared to the prior year period. These additional dispensaries contributed increased cost of sales of $1,800 as compared to the prior year period. Our acquisitions contributed to an increase in cost of sales of $43,020 during the nine months ended September 30, 2021 as compared to the prior year period.

Gross profit for the nine months ended September 30, 2021 increased to 42.63% from 31.94% as compared to the prior year period, an increase of 10.69%. Gross profit increased 6.95% related to growth in our existing markets and new market developments. In addition, gross profit increased by 3.74% due to our recent acquisitions.

Operating Expenses

The increase of $65,763 in operating expenses for the nine months ended September 30, 2021, as compared to the prior year period, was primarily attributable to an increase in salary and benefits of $24,310, depreciation and amortization of $16,391, operating office and general expenses of $6,789, advertising and promotion of $6,249 and operating facility costs of $6,481 as we expanded our operations and increased the size and scope of our administrative functions.

Other Expense, Net

The increase in other expense, net for the nine months ended September 30, 2021, as compared to the prior year period, was primarily due to accrual of $75,308 relating to acquisition and settlement of pre-existing relationships which was partially offset by gain on remeasurement of contingent consideration of $23,582 and derivative liability of $9,316.

Income Tax Provision

For the nine months ended September 30, 2021 the Company recorded income tax benefit of $631 on loss before income taxes of $92,821 for an effective tax rate of 0.7% as compared to an income tax benefit of $11,843 on loss before income taxes of $70,293 for an effective tax rate of 16.9% for the nine months ended September 30, 2020. The difference in effective tax rates for the comparative periods is primarily driven by increasing negative impacts of IRC Section 280E as the company continues to grow, which results in significant nondeductible expense for tax purposes as well as well as increased nondeductible expenses related to stock compensation for the nine month period ended September 30, 2021.

Comparison of the Years Ended December 31, 2020 and 2019, and December 29, 2018

The following tables summarize our results of operations for the years ended December 31, 2020 and 2019, and December 29, 2018:

	For the Year Ended			2020 vs. 2019		2019 vs. 2018	
	December 31, 2020	December 31, 2019	December 29, 2018	$ Change	% Change	$ Change	% Change
Revenues, net	$ 179,503	$ 77,459	$ 39,328	$102,044	132%	$ 38,131	97%
Cost of sales related to inventory production	(114,249)	(57,777)	(22,874)	(56,472)	98%	(34,903)	153%
Cost of sales related to business combination fair value adjustments to inventories	(3,111)	—	—	(3,111)	—	—	—
Gross profit	62,143	19,682	16,454	42,461	216%	3,228	20%
Operating expenses	(142,355)	(123,586)	(58,495)	(18,769)	15%	(65,091)	111%
Loss from operations	(80,212)	(103,904)	(42,041)	23,692	-23%	(61,863)	147%
Other expense (income), net	(55,634)	4,233	(3,291)	(59,867)	-1414%	7,524	-229%
Loss before provision for income taxes	(135,846)	(99,671)	(45,332)	(36,175)	36%	(54,339)	120%
Income tax benefit (expense)	16,197	(1,503)	(2,943)	17,700	-1178%	1,440	-49%
Net loss	(119,649)	(101,174)	(48,275)	(18,475)	18%	(52,899)	110%
Net loss attributable to non-controlling interest	(23,862)	(4,909)	(1,255)	(18,953)	386%	(3,654)	291%
Net loss attributable to Columbia Care Inc.	$ (95,787)	$ (96,265)	$ (47,020)	$ 478	0%	$(49,245)	105%

Year Ended December 31, 2020 Compared with Year Ended December 31, 2019

Revenue

The increase in revenue of $102,044 for the year ended December 31, 2020, as compared to the prior year period was primarily driven by expansion of our dispensary network, additional sales through our existing dispensaries and our recent acquisitions. Our revenue is predominantly generated by retail sales, which increased $90,581 during the year ended December 31, 2020 as compared to the prior year.

During the year ended December 31, 2020, we experienced $54,385 of organic growth as a result of increase in same store sales year over year. Same store sales are calculated based upon our stores that have been open for at least 12 full fiscal months. During the year ended December 31, 2020, we operated 22 additional dispensaries (on a weighted average basis) as compared to the prior year. These additional dispensaries contributed to a revenue growth of $7,008 as compared to the prior year. The acquisitions of TGS and Project Cannabis contributed an additional $40,652 of revenue during the year ended December 31, 2020 as compared to the prior year.

Cost of sales and gross margin

The increase in cost of sales for the year ended December 31, 2020, as compared to the prior year was primarily driven by our recent acquisitions and additional sales through our existing dispensaries. During the year ended December 31, 2020, we experienced an increase in cost of sales of $30,023 related to an increase in same store sales year over year. Same store sales are calculated based upon our stores that have been open for at least 12 full fiscal months. During the year ended December 31, 2020, we operated 8 additional Cultivation, Manufacturing and/or Retail markets as compared to the prior year. These additional dispensaries contributed increased cost of sales of $4,917 as compared to the prior year period. Our acquisitions contributed to an increase in cost of sales of $24,644 during the year ended December 31, 2020 as compared to the prior year.

Gross profit for the year ended December 31, 2020 increased to 34.62% from 25.41% as compared to the prior year, an increase of 9.21%. Gross profit increased 5.69% related to growth in our existing markets and new market developments. In addition, gross profit increased by 3.52% due to our recent acquisitions.

Operating Expenses

The increase of $18,769 in operating expenses for the year ended December 31, 2020, as compared to the prior year period, was primarily attributable to an increase in salary and benefits of $7,587, operating facility costs of $6,321, depreciation and amortization of $6,101, operating office and general expenses of $2,449, loss on disposal group of $1,969 and other fees and expenses of $2,304 as we expanded our operations and increased the size and scope of our administrative functions. These higher expenses were partially offset by $6,284 of lower professional fees in the current year.

Other Expense (Income), Net

The increase in other expense (income), net for the year ended December 31, 2020, as compared to the prior year, was primarily due to an increase in the earnout liability for TGS of $21,757, an indemnification expense of $14,195, an increase in interest expense of $7,577 and an increase in the fair value of a derivative liability of $11,745.

Income Tax Benefit and Provisions

The benefit for income taxes for the year ended December 31, 2020 was $16,197 compared to a provision for income taxes of $1,503 for the year ended December 31, 2019.

Adjusted EBITDA

The increase in Adjusted EBITDA for the year ended December 31, 2020, as compared to the prior year period, was primarily driven by improved gross margins offset by increases in facility costs, salary and benefits costs.

Our future financial results are subject to significant potential fluctuations caused by, among other things, growth of sales volume in new and existing markets and our ability to control operating expenses. In addition, our financial results may be impacted significantly by changes to the regulatory environment in which we operate, both on a local, state and federal level.

Year Ended December 31, 2019 Compared with Year Ended December 29, 2018

Revenue

The increase in revenue of $38,131 for the year ended December 31, 2019, as compared to the prior year period was primarily driven by expansion of our dispensary network and by additional sales through our existing dispensaries. Our revenue is predominantly generated by retail sales which increased $34,839 during the year ended December 31, 2019 as compared to the prior year.

During the year ended December 31, 2019, we experienced $33,001 of organic growth as a result of increase in same store sales year over year. Same store sales are calculated based upon our stores that have been open for at least 12 full fiscal months. During the year ended December 31, 2019, we operated 7 additional dispensaries (on a weighted average basis) as compared to the prior year. These additional dispensaries contributed to a revenue growth of $5,130 as compared to the prior year.

Cost of sales and gross margin

The increase in cost of sales of $34,903 for the year ended December 31, 2019, as compared to the prior year was primarily driven by additional sales through our existing dispensaries and development of new markets. During the year ended December 31, 2019, we experienced an increase in cost of sales of $25,287 related to an increase in same store sales year over year. Same store sales are calculated based upon our stores that have been open for at least 12 full fiscal months. During the year ended December 31, 2019, we operated in 12 additional Cultivation, Manufacturing and/or Retail markets as compared to the prior year. These additional markets contributed to an increase cost of sales of $9,616 as compared to the prior year.

Gross profit for the year ended December 31, 2019 decreased to 25.41% from 32.95% as compared to the prior year, a decrease of 7.54%. Gross profit increased 6% related to growth in our existing markets and decreased 13.54% due to new market developments.

Operating Expenses

The increase of $65,091 in operating expenses for the year ended December 31, 2019, as compared to the prior year period, was primarily attributable to an increase in salary and benefits of $29,685, professional fees of $14,439, operating facility costs of $8,531, advertising and promotion expenses of $4,931 and operating office and general expenses of $5,745 as we expanded our operations and increased the size and scope of our administrative functions.

Other Expense (Income), Net

During the year ended December 31, 2018, we had interest expense, net of $7,824 as a result of outstanding debt during 2018. As this debt was paid off in 2019, we had an interest income, net of $1,241 during the year ended December 31, 2019.

Income Tax Provisions

The provision for income taxes for the year ended December 31, 2019 was $1,503 compared to a provision for income taxes of $2,943 for the year ended December 29, 2018.

Adjusted EBITDA

The decrease in Adjusted EBITDA for the year ended December 31, 2019, as compared to the prior year period, was primarily driven by increases in facility costs, salary and benefits costs and professional fees.

Non-GAAP Measures

We use certain non-GAAP measures, referenced in this MD&A. These measures are not recognized measures under GAAP and do not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. Accordingly, these measures should not be considered in isolation from nor as a substitute for our financial information reported under GAAP. We use non-GAAP measures including "EBITDA" and "Adjusted EBITDA" which may be calculated differently by other companies. These non-GAAP measures and metrics are used to provide investors with supplemental measures of our operating performance and liquidity and thus highlight trends in our business that may not otherwise be apparent when relying solely on GAAP measures. These supplemental non-GAAP financial measures should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented. We also recognize that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of companies within our industry. Finally, we use non-GAAP measures and metrics in order to facilitate evaluation of operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of executive compensation.

The following table provides a reconciliation of net loss for the period to EBITDA and Adjusted EBITDA for the years ended December 31, 2020 and 2019, and December 29, 2018:

	Year Ended		
	December 31, 2020	December 31, 2019	December 29, 2018
Net loss	$ (119,649)	$ (101,174)	$ (48,275)
Income tax	(16,197)	1,503	2,943
Depreciation and amortization	19,651	8,690	4,678
Interest expense, net and debt amortization	6,336	(1,241)	7,824
EBITDA	**$ (109,859)**	**$ (92,222)**	**$ (32,830)**
Adjustments:			
Share-based compensation	29,805	38,405	21,762
Fair-value mark-up for acquired inventory	3,111	—	—
Adjustments for acquisition and other non-core costs*	7,477	839	—
Fair-value changes on derivative liabilities	11,745	—	—
Impairment on disposal group	1,969	—	—
Indemnification costs (income)	14,195	—	(5,000)
Earnout liability accrual	21,757	—	—
Adjusted EBITDA	**$ (119,800)**	**$ (52,978)**	**$ (16,068)**

* Acquisition and other non-core costs include costs associated with acquisitions, litigation expenses and COVID-19 expenses.

The following table provides a reconciliation of net loss to EBITDA and Adjusted EBITDA for the three and nine months ended September 30, 2021 and September 20, 2020:

	Three months ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Net loss	$ (44,370)	$ (10,253)	$ (92,190)	$ (58,450)
Income tax	(12,999)	(12,943)	(631)	(11,843)
Depreciation and amortization	16,076	5,066	33,801	12,194
Interest expense, net and debt amortization	8,057	2,154	18,686	1,683
EBITDA	**$ (33,236)**	**$ (15,976)**	**$ (40,334)**	**$ (56,416)**
Adjustments:				
Share-based compensation	4,689	7,422	18,023	23,131
Fair value mark-up for acquired inventory	1,430	1,765	2,922	1,765
Adjustments for acquisition and other non-core costs*	3,009	2,616	8,102	3,483
Fair-value changes on derivative liabilities	(4,847)	2,556	(6,760)	2,556
Impairment of disposal group	2,000	—	2,000	1,969
Loss on conversion of Convertible Notes	—	—	1,580	—
Gain on remeasurement of contingent consideration	(23,582)	—	(23,582)	—
Acquisition and settlement of pre-existing relationships	75,308	—	75,308	—
Adjusted EBITDA	**$ 24,771**	**$ (1,617)**	**$ 37,259**	**$ (23,512)**

* Acquisition and other non-core costs include costs associated with acquisitions, litigation expenses and COVID-19 expenses.

Adjusted EBITDA

The increase in Adjusted EBITDA for the three and nine months ended September 30, 2021, as compared to the prior year period, was primarily driven by improved gross margins and a greater operating income.

Our future financial results are subject to significant potential fluctuations caused by, among other things, growth of sales volume in new and existing markets and our ability to control operating expenses. In addition, our financial results may be impacted significantly by changes to the regulatory environment in which we operate, both on a local, state and federal level.

Liquidity and Capital Resources

Our primary need for liquidity is to fund working capital requirements of our business, capital expenditures and for general corporate purposes. Historically, we have relied on external financing as our primary source of liquidity. Our ability to fund our operations and to make capital expenditures depends on our ability to successfully secure financing through issuance of debt or equity, as well as our ability to improve our future operating performance and cash flows, which are subject to prevailing economic conditions and financial, business and other factors, some of which are beyond our control.

We are currently meeting our obligations as they become due and are earning revenues from our operations. However, we have sustained losses since inception, we may require additional capital in the future. We estimate that based on our current business operations and working capital, we will continue to meet our obligations as they become due in the short term. As we continue to seek growth through expansion or acquisition, our cash flows requirements and obligations could materially change. As of December 31, 2020 and September 30, 2021, we did not have any significant external capital requirements.

Recent Financing Transactions

Sale-Leasebacks

During the fourth quarter of 2019, we sold five properties located in Massachusetts, California and Illinois for $25,323, which was approximately the cost to us. In connection with these sales, we entered into lease agreements with the purchasers of the properties. Included in the agreements, we are expected to complete tenant improvements related to certain properties, for which the landlords have agreed to provide tenant improvement allowances ("TI Allowances").

During the third quarter of 2020, we sold two properties located in New Jersey for $12,385, which was approximately the cost to us. In connection with these sales, we entered into lease agreements with the purchasers of the properties. Included in the agreements, we are expected to complete tenant improvements related to these properties, for which the landlord has agreed to provide a TI Allowance.

Equity Offerings

In January 2021, we closed a public offering of 18,572,000 common shares at a price of $8.05 (Canadian Dollars) per common share for aggregate proceeds of $111,789, which included the exercise in full of the over-allotment option granted to the underwriters, before deducting the underwriters' fees and estimated offering expenses. The offering was conducted in each of the provinces of Canada, other than Québec, pursuant to a prospectus supplement to our base shelf prospectus dated September 2, 2020 and elsewhere outside of Canada on a private placement basis.

In February 2021, we sold, on a bought deal private placement basis, 3,220,000 common shares at a price of $9.00 (Canadian Dollars) per share for net proceeds of $21,770.

Term Debt

On March 31, 2020 and April 23, 2020, we completed the first and second tranches of a private offering of notes ("Private Notes") for an aggregate principal amount of $14,250 and $1,000, respectively. The Private Notes required interest-only payments through March 30, 2024, at a rate of 9.875% per annum, payable semi-annually on March 31 and September 30 commencing on September 30, 2020. The Private Notes were due in full on March 30, 2024. In connection with the first and second tranche offerings of the Private Notes, we issued 1,723,250 common share purchase warrants with an exercise price of $3.10 (Canadian Dollars).

On May 14, 2020, we completed a private offering of an aggregate of 19,115 senior secured first-lien note units (the "Units") for aggregate gross proceeds of $19,115, each Unit being comprised of (i) $1,000 principal amount of 13.00% senior secured first-lien notes ("Notes") and (ii) 120 common share purchase warrants with an exercise price of $2.95 (Canadian Dollars) per underlying common share (the "May Private Offering"). Concurrent with the closing of the May Private Offering, the Private Notes were exchanged for Notes. In addition, holders of Private Notes were issued additional 130,388 warrants with an exercise price of $2.95 (Canadian Dollars) per underlying common share.

On July 2, 2020, we completed a second private offering of an aggregate of 4,000 Units for aggregate gross proceeds of $4,000, each Unit being comprised of (i) $1,000 Notes and (ii) 75 common share purchase warrants with an exercise price of $4.53 (Canadian Dollars) per underlying common share.

On October 29, 2020, November 10, 2020 and November 27, 2020, we completed private offerings of an aggregate of 20,000, 8,400 and 3,000 units, respectively, for aggregate gross proceeds of $32,054, each unit being comprised of (i) $1,000 Notes and (ii) 60 common share purchase warrants with an exercise price of $5.84 (Canadian Dollars) per underlying common share ("Fall Warrants").

On November 30, 2020, we completed another private offering of an aggregate of 200 units, respectively for aggregate gross proceeds of $200, each unit being comprised of (i) $1,000 Notes and (ii) 125 Fall Warrants.

At the option of the holder, each common share purchase warrant can be exchanged for one common share. The common share purchase warrants expire on May 14, 2023.

The Notes require interest-only payments through May 14, 2023, at a rate of 13.0% per annum, payable semi-annually on May 31 and November 30 which commenced on November 30, 2020. The Notes are due in full on May 15, 2023. We incurred financing costs of $3,373. The Notes contain customary terms and conditions, representations and warranties, and events of default.

Convertible Debt

On June 19, 2020, we completed the first tranche of an offering of senior secured convertible notes ("5% Convertible Notes") for an aggregate principal amount of $12,800. During July 2020, we completed subsequent tranches for an aggregate principal amount of $5,960. As of December 31, 2020, total outstanding on the 5% Convertible Notes was $18,760.

The 5% Convertible Notes can be exchanged into common shares with a conversion price of $3.79 (Canadian Dollars). For the purposes of determining the number of common shares issuable upon conversion, the principal amount of the 5% Convertible Notes surrendered for conversion shall be deemed converted from U.S. Dollars into Canadian Dollars, using the end-of-day exchange rate published by the Bank of Canada on the date immediately preceding the date that the Convertible Note is surrendered for conversion. The 5% Convertible Notes require interest-only payments until December 19, 2023, at a rate of 5.0% per annum, payable semi-annually on June 30 and December 31 commencing on December 31, 2020. The 5% Convertible Notes are due in full on December 19, 2023. We incurred financing costs of $175.

In April 2021, we offered an incentive program to the holders of the 5% Convertible Notes issued in 2020, pursuant to which, we would issue to each noteholder that surrendered its 5% Convertible Notes for conversion on or before May 28, 2021, 20 Common Shares of the Company on a private placement basis for each US$1,000 aggregate principal amount of Notes surrendered for conversion. Pursuant to this incentive program, 4,550,139 shares were issued as a result of conversion of $13,160 of 5% Convertible Notes.

On June 29, 2021, we closed a private placement offering issuing $74,500 aggregate principal amount of 6% convertible notes due 2025 (the "**6% Convertible Notes**"). The 6% Convertible Notes are senior secured obligations of the Company and accrue interest payable semiannually in arrears and mature on June 29, 2025, unless earlier converted, redeemed or repurchased. The conversion rate will be 154 Common Shares per $1,000 principal amount of Notes (equivalent to a price of approximately US$6.49 per Common Share), subject to customary adjustments. The conversion price of the 6% Convertible Notes represents a premium of approximately 25% over the closing price of the Common Shares on the NEO Exchange on June 17, 2021. We may redeem the 6% Convertible Notes at par, in whole or in part, on or after June 29, 2023, if the volume weighted average price of the Common Shares trading on the Canadian Stock Exchange or the NEO Exchange for 15 of the 30 trading days immediately preceding the day on which the Company exercises its redemption right, exceeds 120% of the conversion price of the 6% Convertible Notes. The 6% Convertible Notes were offered for sale on a private placement basis in certain provinces of Canada pursuant to applicable exemptions from the prospectus requirements of Canadian securities laws.

Cash Flows

The following table summarizes the sources and uses of cash for each of the periods presented:

	Nine Months Ended		Year Ended		
	September 30, 2021	September 30, 2020	December 31, 2020	December 31, 2019	December 29, 2018
Net cash used in operating activities	$ (2,973)	(26,744)	$ (49,650)	$ (67,047)	$ (24,767)
Net cash used in investing activities	(135,913)	(24,542)	(27,322)	(90,134)	(14,646)
Net cash provided by financing activities	184,183	59,703	89,994	158,861	83,383
Net increase in cash and cash equivalents	$ 45,297	$ 8,417	$ 13,022	$ 1,680	$ 43,970

Operating Activities

During the year ended December 31, 2020, operating activities used $49,650 of cash, primarily resulting from net loss of $119,649, partially offset by equity-based compensation expense of $29,805, depreciation and amortization of $19,651, debt amortization expense of $2,189 and impairment on disposal group of $1,969.

During the year ended December 31, 2019, operating activities used $67,047 of cash, primarily resulting from net loss of $101,174 and net cash used in changes in operating assets and liabilities of $12,100, partially offset by equity-based compensation expense of $32,896, depreciation and amortization of $8,690 and deferred compensation expense of $5,509. Cash used due to changes in operating assets and liabilities was primarily due to increase in inventory of $12,667.

During the year ended December 29, 2018, operating activities used $24,767 of cash, primarily resulting from net loss of $48,275 and net cash used in changes in operating assets and liabilities of $9,262, partially offset by equity-based compensation expense of $13,112, depreciation and amortization of $4,678, debt amortization expense of $515, and warrant amortization expense of $5,347.

During the nine months ended September 30, 2021, operating activities used $2,973 of cash, primarily resulting from net loss of $92,190, gain on remeasurement of contingent consideration of $23,582, change in fair value of derivative liability of $6,760 and decrease in deferred taxes of $16,739, net of acquisitions, partially offset by depreciation and amortization of $33,801, equity-based compensation expense of $18,023, and net changes in operating assets and liabilities of $74,237. The net change in operating assets and liabilities was primarily due to an increase in accrued expenses and other current liabilities of $74,092, income taxes payable of $5,927, accounts payable of $4,183 and decrease in prepaid expenses and other assets of $5,316 as partially offset by an increase in inventory of $14,763.

During the nine months ended September 30, 2020, operating activities used $26,744 of cash, primarily resulting from net loss of $58,450, changes in deferred taxes of $15,097 and net changes in operating assets and liabilities of $11,011 that was partially offset by equity-based compensation expense of $23,131, depreciation and amortization of $12,194 and impairment on disposal group of $1,969.

Investing Activities

During the year ended December 31, 2020, investing activities used $27,322 of cash, consisting of purchases of property and equipment of $42,885 and cash paid for deposits of $5,688, partially offset by cash received from sale leasebacks of $11,927, acquisitions of $3,821 and deposits of $6,676.

During the year ended December 31, 2019, investing activities used $90,134 of cash, consisting of purchases of property and equipment of $77,445, the issuance of a note receivables of $17,420, cash for loans under the CannAscend and Corsa Verde agreements of $11,511 and cash paid for deposits of $6,623, partially offset by cash received from sale leasebacks of $19,614 and deposits of $3,697.

During the year ended December 29, 2018, investing activities used $14,646 of cash, consisting of purchases of property and equipment of $14,529, cash paid for deposits of $2,058, cash for loans under the CannAscend and Corsa Verde agreements of $1,002, cash paid in escrow and option deposit under Corsa Verde agreement of $3,124, partially offset by cash received from sale leasebacks of $131 and deposits of $5,936.

During the nine months ended September 30, 2021, investing activities used $135,913 of cash, consisting of cash paid for acquisitions of $44,268, purchases of property and equipment of $72,323, cash paid for other assets of $15,770.

During the nine months ended September 30, 2020, investing activities used $24,542 of cash primarily for purchases of property and equipment of $40,336 which was partially offset by proceeds from sale and lease back transaction of $12,385.

Financing Activities

During the year ended December 31, 2020, financing activities provided $89,994 of cash, consisting of $89,379 in gross proceeds received from issuance of debt as reduced by issuance costs of $3,548 and the sale of membership interest of a subsidiary of $5,509, partially offset by lease liability payments of $734.

During the year ended December 31, 2019, financing activities provided $158,861 of cash, consisting of $157,359 in proceeds received from the issuance of equity and proceeds from sale leasebacks of $5,709, repurchases of common shares of $2,414 and debt repayment of $1,795.

During the year ended December 29, 2018, financing activities provided $83,383 of cash, consisting of $101,922 in proceeds received from the issuance of equity and $9,440 in proceeds received from issuance of debt offset by $25,779 in repayment of debt.

During the nine months ended September 30, 2021, financing activities provided $184,183 of cash, consisting of $133,151 and $71,310 in net proceeds received from issuance of Common Shares and debt, respectively, partially offset by debt repayment of $9,550 and lease liability payments of $7,844.

During the nine months ended September 30, 2020, financing activities provided $59,703 of cash primarily from issuance of debt of $55,078.

Contractual Obligations and Commitments

The following table summarizes contractual obligations as of December 31, 2020 and the effects that such obligations are expected to have on our liquidity and cash flows in future periods:

	Payments Due by Period						
	Total	2021	2022	2023	2024	2025	2026 and beyond
Lease commitments	$358,135	$ 24,296	$24,629	$ 23,901	$22,849	$20,640	$241,820
Sale leaseback commitments	5,825	585	600	615	630	646	2,749
Term debt (principal)	69,965	—	—	69,965	—	—	—
Interest on term debt	21,602	9,095	9,095	3,411	—	—	—
Convertible debt (principal)	18,760	—	—	18,760	—	—	—
Interest on convertible debt	2,783	938	938	907	—	—	—
Closing promissory note (principal and interest)	15,796	10,238	2,288	1,695	1,575	—	—
Business acquisition—Green Leaf Medical	45,000	45,000	—	—	—	—	—
Exercise of real estate option	11,500	11,500	—	—	—	—	—
Acquisition of real estate property in New York	15,687	15,687	—	—	—	—	—
SunBulb indemnification	15,195	15,195	—	—	—	—	—
Total contractual obligations	$580,248	$132,534	$37,550	$119,254	$25,054	$21,286	$244,569

Amounts in the table reflect minimum payments due for our leased facilities under various lease agreements that expire through December 2034. The above table excludes purchase orders for inventory in the normal course of business.

Off-Balance Sheet Arrangements

As of the date of this filing, we do not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of our operations or financial condition, including, and without limitation, such considerations as liquidity and capital resources.

Changes In or Adoption of Accounting Practices

The following U.S. GAAP standards have been recently issued by the Financial Accounting Standards Board. We have adopted these new standards on future consolidated financial statements. Pronouncements that are not applicable or where it has been determined do not have a significant impact to Columbia Care have been excluded herein.

In February 2016, the FASB issued guidance that created new accounting and reporting for leasing arrangements under ASC 842, Leases. The guidance requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses and cash flows arising from a lease will depend on classification as a finance or operating lease. The guidance also requires qualitative and quantitative disclosures regarding the amount, timing, and uncertainty of cash flows arising from leases. The standard will be effective for annual periods beginning on or after December 15, 2018, with earlier application permitted for all entities. We adopted the standard on January 1, 2019. The adoption of this standard resulted in almost all current leases being recognized on the statement of financial position, except for short-term and low-value leases. On January 1, 2019, we recognized right-of-use assets of $35,070, a corresponding lease liability of $35,737, and derecognized deferred rent of $713 and prepaid expenses of $46.

In August 2018, the Financial Accounting Standards Board ("FASB") issued Auditing Standards Update ("ASU") No. 2018-13 Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement. The update removes, modifies and makes additions to the disclosure requirements on fair value measurements. The update was adopted as of January 1, 2018, and its adoption did not have a material impact on our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment. The update simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount. This update is effective for annual and interim periods beginning after December 15, 2019, and interim periods within that reporting period. The update was adopted as of January 1, 2020, and its adoption did not have a material impact on our consolidated financial statements.

Critical Accounting Estimates

We make judgements, estimates and assumptions about the future that affect reported of assets and liabilities, and revenues and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

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

Judgements estimates and assumptions with the most significant effect on the amounts recognized in the consolidated financial statements are described below.

Business Combinations

We account for business combinations under the acquisition method of accounting, which requires us to recognize separately from goodwill, the assets acquired and the liabilities assumed at their acquisition date fair values. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recognized in our consolidated statements of operations. Accounting for business combinations requires management to make significant estimates and assumptions, especially at the acquisition date including estimates for intangible assets, contractual obligations assumed, pre-acquisition contingencies, and contingent consideration, where applicable. Although we believe the assumptions and estimates we have made in the past have been reasonable and appropriate, they are based, in part, on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain acquired intangible assets under the income approach include growth in future expected cash flows from product sales, customer contracts, revenue growth rate, customer ramp-up period and discount rates. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of net identifiable assets acquired in a business combination. Goodwill is not amortized and is tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In the valuation of goodwill, we make assumptions regarding estimated future cash flows to be derived from our business. If these estimates or their related assumptions change in the future, we may be required to record impairment for these assets.

We have the option to first perform a qualitative assessment to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying value. However, we may elect to bypass the qualitative assessment and proceed directly to the quantitative impairment tests. The first step of the impairment test involves comparing the fair value of the reporting unit to its net book value, including goodwill. If the net book value of the reporting unit exceeds its fair value, we would perform the second step of the goodwill impairment test to determine the amount of the impairment loss. We perform an annual assessment of our goodwill as of first day of the fourth quarter, or more frequently, to determine if any events or circumstances exist, such as an adverse change in business climate or a decline in overall industry demand, that would indicate that it would more likely than not reduce the fair value of a reporting unit below its carrying amount, including goodwill. If events or circumstances do not indicate that the fair value of a reporting unit is below its carrying amount, then goodwill is not considered to be impaired and no further testing is required, if otherwise, we compare the fair value of our reporting unit to its carrying value, including goodwill. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, the amount by which the carrying value of the goodwill exceeds its implied fair value, if any, is recognized as an impairment loss. We monitor the indicators for goodwill impairment testing between annual tests.

Recoverability of Long-lived Assets

We evaluate the recoverability of our long-lived tangible and intangible assets with finite useful lives for impairment when events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Such trigger events or changes in circumstances may include: a significant decrease in the market price of a long-lived asset, a significant adverse change in the extent or manner in which a long-lived asset is being used, a significant adverse change in legal factors or in the business climate, including those resulting from technology advancements in the industry, the impact of competition or other factors that could affect the value of a long-lived asset, a significant adverse deterioration in the amount of revenue or cash flows we expect to generate from an asset group, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or development of a long-lived asset, current or future operating or cash flow losses that demonstrate continuing losses associated with the use of a long-lived asset, or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. We perform impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable and the expected undiscounted future cash flows attributable to the asset group are less than the carrying amount of the asset group, an impairment loss equal to the excess of the asset's carrying value over its fair value is recorded. Fair value is determined based upon estimated discounted future cash flows. We did not recognize any impairment loss for long-lived assets for the years ended December 31, 2020 and 2019. Assets to be disposed of or held for sale would be separately presented on the balance sheets and reported at the lower of their carrying amount or fair value less costs to sell, and would no longer be depreciated or amortized.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Our financial instruments consist of cash and cash equivalents, accounts receivable, notes receivable, deposits and other current assets, accounts payable, accrued expenses, current taxes payable and other current liabilities like interest payable and payroll liabilities, derivative liability, debt and lease liabilities. The fair values of cash and restricted cash, accounts and notes receivable, deposits, accounts payable and accrued expenses and other current liabilities like interest payable and payroll liabilities, short-term debt and lease liabilities approximate their carrying values due to the relatively short-term to maturity or because of the market rate of interest used on initial recognition. Columbia Care classifies its derivative liability as fair value through profit and loss (FVTPL).

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements. The three levels of contained within the hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Our assets measured at fair value on a nonrecurring basis include investments, assets and liabilities held for sale, long-lived assets and indefinite-lived intangible assets. We review the carrying amounts of such assets whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable or at least annually, for indefinite-lived intangible assets. Any resulting asset impairment would require that the asset be recorded at its fair value. The resulting fair value measurements of the assets are considered Level 3 measurements.

Financial Risk Management

We are exposed in varying degrees to a variety of financial instrument related risks. Our risk exposures and the impact on our financial instruments is summarized below:

Credit Risk

Credit risk is the risk of a potential loss to us if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit exposure at December 31, 2020 and 2019, and December 29, 2018, is the carrying amount of cash and cash equivalents, subscription receivable, accounts receivable and notes receivable. We do not have significant credit risk with respect to our customers. All cash deposits with regulated U.S. financial institutions.

We provide credit to our customers in the normal course of business and has established credit evaluation and monitoring processes to mitigate credit risk but has limited risk as the majority of our sales are transacted with cash. Through our recently introduced Columbia Care National Credit program, we provide credit to customers in certain markets in which we operate.

Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial obligations associated with financial liabilities. We manage liquidity risk through the management of our capital structure. Our approach to managing liquidity is to estimate cash requirements from operations, capital expenditures and investments and ensure that we have sufficient liquidity funds our ongoing operations and to settle obligations and liabilities when due.

We expect to incur increased expenditures related to our operations, including marketing and selling expenses and capital expenditures as we expand our presence in current markets and expand into new markets.

To date, we have incurred significant cumulative net losses and we have not generated positive cash flows from our operations. We have therefore depended on financing from sale of our equity and from debt financing to fund our operations. Overall, we do not expect the net cash contribution from our operations and investments to be positive in the near term, and we therefore expect to rely on financing from equity or debt.

Market Risk

In addition to business opportunities and challenges applicable to any business operating in a fast-growing environment, our business operates in a highly regulated and multi-jurisdictional industry, which is subject to potentially significant changes outside of our control as individual states as well as the U.S. federal government may impose restrictions on our ability to grow our business profitably or enact new laws and regulations that open up new markets.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of our financial instrument will fluctuate because of changes in market interest rates. Our cash deposits bear interest at market rates.

Currency Risk

Our operating results and financial position are reported in thousands of U.S. dollars. We may enter into financial transactions denominated in other currencies, which would result in Columbia Care's operations and financial position to be subject to currency transaction and translation risks.

As of December 31, 2020 and 2019, and December 29, 2018, we had no hedging agreements in place with respect to foreign exchange rates. We have not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Price Risk

Price risk is the risk of variability in fair value due to movements in equity or market prices. We are subject to risk of prices of our products due to competitive or regulatory pressures.

ITEM 3. PROPERTIES

The following tables set forth the Company's principal physical properties.

Corporate Properties

Type	Location	Lease / Own
Headquarters	New York, NY	Lease
Shared Service Center	Chelmsford, MA	Lease
TGS Headquarters	Denver, CO	Lease

Production Properties

Type	Location	Lease / Own
Chino Cultivation Facility	Chino, AZ	Lease
San Diego Cultivation Facility	San Diego, CA	Lease
Los Angeles Cultivation Facility	Los Angeles, CA	Lease
Denver Cultivation Facility 1	Denver, CO	Lease
Denver Cultivation Facility 2	Denver, CO	Lease
Denver Cultivation Facility 3	Denver, CO	Lease
Denver Manufacture Facility	Denver, CO	Lease
Denver Warehouse	Denver, CO	Lease
Trinidad Cultivation Facility 1	Trinidad, CO	Lease

Production Properties

Type	Location	Lease / Own
Trinidad Cultivation Facility 2	Trinidad, CO	Lease
Alachua Cultivation Facility	Alachua, FL	Lease
Arcadia Cultivation Facility	Arcadia, FL	Own
Lakeland Cultivation Facility	Lakeland, FL	Lease
Aurora Cultivation Facility	Aurora, IL	Lease
Lowell Cultivation Facility	Lowell, MA	Lease
Frederick Cultivation Facility	Frederick, MD	Own
Bishopville Extraction Facility	Bishopville, MD	Lease
Milford Cultivation Facility	Milford, DE	Lease
Rockville Cultivation Facility	Rockville, MD	Lease
Vineland Cultivation Facility	Vineland, NJ	Lease
Rochester Cultivation Facility	Rochester, NY	Lease
Riverside Cultivation Facility*	Riverside, NY	Own
Mount Orab Cultivation Facility	Mount Orab, OH	Lease
Columbus Manufacturing Facility	Columbus, OH	Own
Pennsylvania Cultivation Facility	Saxton, PA	Lease
Portsmouth Cultivation Facility	Portsmouth, VA	Lease
Richmond Cultivation Facility	Richmond, VA	Lease
Capital City Cultivation Facility	Washington, D.C.	Lease
Centerville Cultivation Facility*	Centerville, UT	Lease
Falling Waters Cultivation Facility*	Falling Waters, WV	Lease

Retail Properties

Type	Location	Lease / Own
SWC Prescott	Prescott, AZ	Lease
Cannabist Tempe	Tempe, AZ	Lease
Project Cannabis North Hollywood	North Hollywood, CA	Lease
Project Cannabis Downtown Los Angeles	Los Angeles, CA	Lease
Columbia Care San Diego	San Diego, CA	Lease
The Healing Center San Diego	San Diego, CA	Lease
Wellness Earth Energy Dispensary	Studio City, CA	Lease
Project Cannabis San Francisco	San Francisco, CA	Lease
The Green Solution Ft. Collins	Ft. Collins, CO	Lease
The Green Solution Southeast Aurora	Aurora, CO	Lease
The Green Solution East Aurora	Aurora, CO	Lease
The Green Solution Central Aurora	Aurora, CO	Lease
The Green Solution W Aurora	Aurora, CO	Lease
The Green Solution South Aurora	Aurora, CO	Lease
The Green Solution Northglenn	Northglenn, CO	Lease
The Green Solution Longmont	Longmont, CO	Lease
The Green Solution Glendale	Glendale, CO	Lease
The Green Solution North Denver	Denver, CO	Lease
The Green Solution Union Station	Denver, CO	Lease
The Green Solution Westminster	Denver, CO	Lease
The Green Solution West Denver	Denver, CO	Lease
The Green Solution Sheridan	Sheridan, CO	Lease
The Green Solution Edgewater	Edgewater, CO	Lease
The Green Solution Pueblo	Pueblo, CO	Lease
The Green Solution Black Hawk	Black Hawk, CO	Lease
The Green Solution Trinidad	Trinidad, CO	Lease

Retail Properties		
Type	**Location**	**Lease / Own**
Clearance Cannabis Trinidad	Trinidad, CO	Lease
The Green Solution Silver Plume	Silver Plume, CO	Lease
The Green Solution Aspen	Aspen, CO	Lease
The Green Solution Glenwood Springs	Glenwood Springs, CO	Lease
Columbia Care Rehoboth Beach	Rehoboth Beach, DE	Lease
Columbia Care Smyrna	Smyrna, DE	Lease
Columbia Care Wilmington	Wilmington, DE	Lease
Columbia Care Bonita Springs	Bonita Springs, FL	Lease
Columbia Care Bradenton	Bradenton, FL	Lease
Columbia Care Brandon	Brandon, FL	Lease
Columbia Care Cape Coral	Cape Coral, FL	Lease
Columbia Care Delray Beach	Delray Beach, FL	Lease
Columbia Care Gainesville	Gainesville, FL	Lease
Columbia Care Jacksonville	Jacksonville, FL	Lease
Columbia Care Longwood	Longwood, FL	Lease
Columbia Care Melbourne	Melbourne, FL	Lease
Columbia Care Miami	Miami, FL	Lease
Columbia Care Orlando	Orlando, FL	Lease
Columbia Care Sarasota	Sarasota, FL	Lease
Columbia Care St. Augustine	St. Augustine, FL	Lease
Columbia Care Stuart	Stuart, FL	Lease
Columbia Care Chicago	Chicago, IL	Lease
Cannabist Villa Park	Villa Park, IL	Lease
Columbia Care Chevy Chase	Chevy Chase, MD	Lease
Wellness Institute of Maryland	Frederick, MD	Lease
Patriot Care Boston	Boston, MA	Lease
Patriot Care Greenfield	Greenfield, MA	Lease
Patriot Care Lowell	Lowell, MA	Lease
Columbia Care Missouri*	Hermann, MO	Lease
Columbia Care Vineland	Vineland, NJ	Lease
Columbia Care Deptford*	Deptford, NJ	Lease
Columbia Care Brooklyn	Brooklyn, NY	Lease
Columbia Care Manhattan	Manhattan, NY	Lease
Columbia Care Riverhead	Riverhead, NY	Lease
Columbia Care Rochester	Rochester, NY	Lease
gLeaf Warren	Warren, OH	Lease
Columbia Care Allentown	Allentown, PA	Lease
Columbia Care Scranton	Scranton, PA	Lease
Columbia Care Wilkes-Barre	Wilkes-Barre, PA	Lease
Columbia Care Portsmouth	Portsmouth, VA	Lease
gLeaf Richmond	Richmond, VA	Lease
Capital City Care Washington D.C.	Washington, D.C.	Lease
Cannabist Springville	Springville, UT	Lease
Columbia Care Williamstown*	Williamstown, WV	Lease
Columbia Care Fayetteville*	Fayetteville, WV	Lease
Columbia Care Morgantown*	Morgantown, WV	Lease
Columbia Care Beckley*	Beckley, WV	Lease
Columbia Care St. Albans*	St. Albans, WV	Lease

* Under development, not yet operational

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the expected beneficial ownership of the Company's securities as of the Effective Date for (i) each member of the Board of Directors (the "**Board**"), (ii) each named executive officer (as defined below), (iii) each person known to the Company and expected to be the beneficial owner of more than 5% of the Company's securities and (iv) the members of the Board and the named executive officers of the Company as a group. Beneficial ownership is determined according to the rules of the SEC. Generally, a person has beneficial ownership of a security if the person possesses sole or shared voting or investment power of that security, including any securities that a person has the right to acquire beneficial ownership within 60 days. Information with respect to beneficial owners of more than 5% of the Company's securities is based on completed questionnaires and related information provided by such beneficial owners as of November 12, 2021. Except as indicated, all shares of the Company's securities will be owned directly, and the person or entity listed as the beneficial owner has sole voting and investment power. The address for each director and executive officer is c/o Columbia Care Inc., 680 Fifth Ave., 24th Floor, New York, New York 10019. The following table does not include take into account share issuances as a result of the Green Leaf Transaction.

	Common Shares		Proportionate Voting Shares		Total	
Name, Position and Address of Beneficial Owner	**Number Beneficially Owned**	**% of Total Common Shares**	**Number Beneficially Owned**	**% of Total Proportionate Voting Shares**	**Total Number of Capital Stock Beneficially Owned**	**% of Total Capital Stock**
Nicholas Vita, *Chief Executive Officer and Director*	37,017,533	10.40%	—	— %	37,017,533	9.99%
Michael Abbott, *Executive Chairman and Director*	36,379,750	10.22%	—	— %	36,379,750	9.81%
Frank Savage, *Director*	47,753	0.01%	—	— %	47,753	0.01%
James A.C. Kennedy, *Director*	27,076	0.01%	20,740	14.03%	2,101,076	0.57%
Jonathan P. May, *Director*	86,311	0.02%	29,468	19.93%	3,033,111	0.82%
Jeff Clarke, *Director*	453,039	0.13%	47	0.03%	457,739	0.12%
Alison Worthington, *Director*	43,257	0.01%	—	— %	43,257	0.01%
Julie Hill, *Director*	54,256	0.02%	—	— %	54,256	0.01%
Philip Goldberg, *Director*	7,760,627	2.18%	—	— %	7,760,627	2.09%
David Hart, *Chief Operating Officer*	940,892	0.26%	747	0.51%	1,015,592	0.27%
Lars Boesgaard(1), *Former Chief Financial Officer*	163,538	0.05%	—	— %	163,538	0.04%
Dr. Rosemary Mazanet, *Chief Scientific Officer*	1,214,840	0.34%	187	0.13%	1,233,540	0.33%
Bryan Olson, *Chief People and Administrative Officer*	383,234	0.11%	764	0.52%	459,634	0.12%
Guy Hussussian, *Chief Data Officer*	89,784	0.03%	62	0.04%	95,984	0.03%
Jesse Channon, *Chief Growth Officer*	129,206	0.04%	—	— %	129,206	0.03%
David Sirolly, *Chief Legal Officer and General Counsel*	—	— %	—	— %	—	— %
All Board directors and named executive officers as a group	84,791,096	23.83%	52,015	35.19%	89,992,596	24.25%

Notes:

(1) Mr. Boesgaard resigned from the Company effective August 31, 2021.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

The Company's Board currently consists of eight directors, of whom six are considered to be independent persons. See Item 7—"Director Independence" for details on the independence of the Company's directors.

The following table sets forth the individuals that we anticipate will be the directors and executive officers of the Company as of the Effective Date and their respective positions.

Name	Age	Position
Nicholas Vita	49	Chief Executive Officer and Director
Michael Abbott	57	Executive Chairman and Director
Frank Savage	82	Director
James A.C. Kennedy	67	Director
Jonathan P. May	55	Director
Jeff Clarke	59	Director
Alison Worthington	57	Director
Julie Hill	74	Director
Philip Goldberg	46	Director
David Hart	45	Chief Operating Officer
Dr. Rosemary Mazanet	66	Chief Scientific Officer
Bryan Olson	48	Chief People and Administrative Officer
Guy Hussussian	55	Chief Data Officer
Jesse Channon	37	Chief Growth Officer
David Sirolly	46	Chief Legal Officer and General Counsel

Director and Executive Officer Biographies

Nicholas Vita, Director and Chief Executive Officer

Nicholas Vita co-founded Columbia Care in 2012. Mr. Vita began his career as a strategic advisor at S.G. Warburg and then as a member of the Healthcare Investment Banking Department at Goldman Sachs. Mr. Vita has more than 20 years' experience as an executive and an entrepreneur in finance and healthcare.

Michael Abbott, Director and Executive Chairman

Michael Abbott co-founded Columbia Care in 2012. Mr. Abbott started his financial career at Swiss Bank Corporation/SBC O'Connor and later worked at Goldman Sachs. Mr. Abbott has since launched and run several companies. Prior to his career in finance, Mr. Abbott served on the London Police Force.

Frank Savage, Director

Frank Savage is currently the Managing Partner of Savage Holdings, LLC, a global financial services company and has previously held senior positions at Citibank, Equitable Life Assurance Corp. (now AXA Inc.) and Alliance Capital Management International as its Chairman. He currently serves on the board of directors of Bloomberg L.P., and has served on the boards of a number of corporations and non-profit organizations, including Lockheed Martin, Inc. and Qualcomm Inc. Mr. Savage earned a Bachelor of Arts degree from Howard University, a Master of Arts degree from the Johns Hopkins Nitze School of Advanced International Studies, and was the recipient of an Honorary Doctorate of Humane Letters from Hofstra University and an honorary Doctor of Humanities degree from Howard University. He serves as Chair Emeritus of Howard University and Trustee Emeritus of The Johns Hopkins University.

James A.C. Kennedy, Director

In December 2015, James A.C. Kennedy resigned from his role as President and Chief Executive Officer of T. Rowe Price Group, a global investment management organization, serving institutions and individuals around the world and retired from T. Rowe Price in March 2016. Mr. Kennedy spent 38 years with T. Rowe Price, including nine years as CEO, during which time the firm's assets more than doubled to $763 billion. Previously Mr. Kennedy served as an investment analyst, as Director of Research, and as Head of Equities at the firm. Mr. Kennedy also served on the Board of T. Rowe Price for 20 years. Prior to earning his MBA at Stanford University, Mr. Kennedy participated in the Financial Management training program at General Electric. Mr. Kennedy currently serves on the board of United Continental.

Jonathan P. May, Director

Jonathan May is currently Co-Founder and Managing Director of Floresta Ventures, LLC. Floresta invests, owns and operates restaurant and retail concepts. He is also a co-founder and managing director of Floresta Partners, LLC, a consulting firm focusing on growing multi-unit restaurant and retail concepts. Prior to forming Floresta, Mr. May was Executive Director of Natural Capital Partners Holdings LLC. NCPH works with corporations to measure their environmental impact and deliver solutions for positive impact on carbon, renewable energy, water, biodiversity and communities.

Previously Mr. May was a founder and Managing Director of Catalytic Capital LLC, a private equity firm focused on growing retail and consumer branded companies. Before co-founding Catalytic Capital, Mr. May was Senior Vice President of Corporate Development for Triarc Companies, Inc. where he was responsible for merger identification and execution, corporate finance, and strategic planning. Mr. May also served as Chief Executive Officer of Arby's, Inc., where he managed the growth of 3,400 restaurants comprising $2.5 billion of global system-wide sales. Mr. May held a variety of strategic and operating roles at Arby's before becoming CEO. Mr. May also sits on the Board of Trustees of Griffin Industrial Realty, a publicly traded real estate company. Mr. May formerly was a board member of Sneaker Villa and Marketwatch.com.

Jeff Clarke, Director

Mr. Clarke currently serves as Co-CEO of E.Merge Technology Acquisition Corporation (NASDAQ: ETACU), a special purpose acquisition corporation. Mr. Clarke also serves as Chairman of FTD, LLC, leading the restructure of the company following its acquisition by Nexus Capital Management in August 2019. Prior to this, Mr. Clarke spent five years as chief executive officer of Eastman Kodak Company, where he led the restructuring and divestiture of its high multiple packaging print division, substantially reducing Kodak's debt. Mr. Clarke has also held numerous prominent roles within the technology industry, including chief executive officer, chairman and executive chair positions at Travelport Limited, a leading technology and distribution company in the travel industry. He has also served as chief operating officer for CA Software, executive vice president of global operations at Hewlett-Packard and chief financial officer at Compaq Computer. Mr. Clarke is currently a director at Generate Life Sciences and is a former director at Docker, Autodesk, Red Hat, Compuware and UTStarcom. He earned his MBA from Northeastern University and now serves as a Northeastern University Trustee.

Alison Worthington, Director

Alison Worthington is an innovative marketing leader with nearly three decades of experience transforming brands, product portfolios and P&Ls to deliver growth and ROI. Ms. Worthington held multiple senior level operating roles for The Coca-Cola Company, Starbucks and Microsoft as well as serving as the global Chief Marketing Officer for Method Home Products and a senior consultant at L.E.K. Consulting. She currently leads a marketing consulting practice, where she engages as an interim Chief Marketing Officer and on demand advisor to high growth tech, consumer, life science, retail and e-commerce companies looking to reposition and scale their brands and products with new customer experiences and channels. She leverages her background in building experiential lifestyle brands through compelling communication, disruptive product innovation, digital transformation and omnichannel marketing to put businesses on a path of purposeful growth and competitive differentiation. She has been fortunate to work with great companies like GoPro, Ancestry, Bragg Live Foods and multiple startups. Ms. Worthington also serves on the board of directors for Generate, a privately held life sciences company helping to grow and protect families through newborn stem cell, reproductive and healthcare technology services. Ms. Worthington earned an MBA from the Harvard Graduate School of Business Administration and an AB in Economics from Smith College.

Julie Hill, Director

Julie Hill has spent more than two decades serving on a range of private and public corporate boards of directors. Most recently, Ms. Hill was a member of the board of directors of Anthem, a Fortune 50 company and the largest U.S. health insurance company by member. She is currently a member of the board of trustees of Lord Abbett, a $225 billion New Jersey-based mutual fund management firm. She was also previously on the board of Lend Lease, based in Sydney, Australia, a $9 billion international construction, development, investment and management firm, publicly traded on the Australian exchange, and Holcim (U.S.), the U.S. operation of a Swiss company, as well as several other public corporate boards. Prior to her last 20 years serving on boards of directors, she founded and ran multiple companies, mostly in the real estate investment and development industry, and was a senior executive at numerous publicly traded companies, including Mobil Land, a division of Mobil Oil, and UK-based Costain Group. Ms. Hill is currently Chair of the Board of Trustees of the University of California at Irvine (UCI), and is a board member of Leaders' Quest, and the Alliance for SoCal Innovation. She is a member of the International Women's Forum and Los Angeles Trusteeship, and is a prior member of the Women's Leadership Board of the Kennedy School of Government at Harvard. She earned a bachelor of arts degree in English from UCLA, and a master's degree in marketing from the University of Georgia.

Philip Goldberg, Director

Philip Goldberg co-founded Green Leaf Medical in 2014 and served as Green Leaf's CEO until Green Leaf was acquired by Columbia Care in June of 2021. Mr. Goldberg built Green Leaf Medical into a leading multi-state cannabis operator in the mid-Atlantic region with 500 full time employees, 400,000 square feet of cultivation space, three extraction labs, and 10 dispensary licenses across Maryland, Pennsylvania, Virginia and Ohio. Prior to entering the cannabis industry, he founded and operated a successful advertising firm focused on lead generation, digital media, customer acquisition and retention. Mr. Goldberg is a graduate of the University of Arizona.

David Hart, Chief Operating Officer

David Hart joined Columbia Care in 2016 and became Chief Operating Officer in 2018. Prior to joining Columbia Care, Mr. Hart served as COO of Abyrx, a venture capital backed medical device company. Prior to his time at Abyrx, Mr. Hart was CFO and CIO at Alpine Capital, a family investment office for the Ranawat Orthopedic Group at the Hospital for Special Surgery. Mr. Hart started his career in financial services at Thomas Weisel Partners and Duff & Phelps.

Dr. Rosemary Mazanet, Chief Scientific Officer

Dr. Rosemary Mazanet joined Columbia Care as Chief Scientific Officer in 2015 as the Chair of the Scientific Advisory Board and became the Chief Scientific Officer in 2017. Prior to joining Columbia Care, Dr. Mazanet was an Oncologist at the Brigham and Women's Hospital / Dana Farber Cancer Institute before starting her industry career at Amgen. Dr. Mazanet has more than 25 years of experience as an expert in all areas of Biotechnology and is a Trustee at the University of Pennsylvania Health System.

Bryan Olson, Chief People & Administrative Officer

Bryan Olson joined Columbia Care as Chief Human Capital Officer in 2017. Prior to joining Columbia Care, Mr. Olson was CHRO for global law firm K&L Gates and previously held senior HR executive positions at Aetna and United Technologies Corporation. Mr. Olson is a former practicing employee benefits and executive compensation attorney at Skadden Arps and started his career at Fidelity Investments.

Guy Hussussian, Chief Data Officer

Guy Hussussian joined Columbia Care as Chief Data Officer in 2018. Mr. Hussussian has more than 20 years of Engineering, IT, and Operations leadership experience. Mr. Hussussian started the Infrastructure Engineering and Cloud Operations Group responsible for IBM-Aspera High Speed Transfer Service. Prior to IBM he was a Director of Research and Development at VMware. Mr. Hussussian started his career as an engineer in healthcare and worked his way up to running Global IT for Workshare.

Jesse Channon, Chief Growth Officer

Jesse Channon joined Columbia Care in December 2019 as Chief Growth Officer. Mr. Channon is an accomplished leader with over a decade of experience in digital marketing, consumer targeting, grassroots campaigns and social media, having advised and worked with some of the largest brands and agencies in the world, including Microsoft, AT&T, Honda, Starbucks, NBC, Red Bull and more. A member of the founding team at PageLever, a Y Combinator-backed company, Mr. Channon oversaw all revenue and partnerships, working with companies such as YouTube, Intel and Toyota to build one of the first real-time applications on Facebook's API and earning certification in the first wave of Preferred Marketing Developers. In 2013, PageLever sold to Unified, a New York City-based Ad Tech company, where Mr. Channon spent six years on the senior management team. After Unified, Mr. Channon served as chief revenue officer for Social Native, a custom content marketplace. He serves on the Entrepreneurship Advisory Board for the Harbert School of Business at Auburn University, the Marketing Board for UJA in New York City and mentors first-time founders of early stage start-ups.

David Sirolly, Chief Legal Officer and General Counsel

David Sirolly joined Columbia Care in 2021 as Chief Legal Officer and General Counsel. Prior to joining Columbia Care, Mr. Sirolly served as General Counsel, Corporate and Chief Compliance Officer of Integra LifeSciences Corporation, a publicly-traded global medical technology company. Over his 11-year career at Integra, he held a variety of legal and compliance leadership roles which included accountability for corporate governance, securities laws, finance initiatives, healthcare compliance, employment law, litigation as well as legal support for a commercial division and information technology. Prior to Integra, Mr. Sirolly was Assistant General Counsel of ValueClick, Inc. (now Conversant, Inc.), a publicly-traded digital media company. David began his legal career at the international law firm of Hogan & Hartson LLP (now Hogan Lovells) based in Washington DC. At Hogan, he focused on supporting medical device and pharmaceutical manufacturers on complex legal and regulatory matters. Mr. Sirolly also spent several years at a leading regional law firm in Pennsylvania working on civil and administrative litigation. Mr. Sirolly has a JD from the University of Virginia School of Law and a degree in economics from Duke University.

ITEM 6. EXECUTIVE COMPENSATION

Overview of Executive Compensation

The Board is authorized to review and approve annually all compensation decisions relating to the executive officers of the Company. In accordance with reduced disclosure rules applicable to emerging growth companies as set forth in Item 402 of Regulation S-K, this section explains how the Company's compensation program is structured for its Chief Executive Officer and the other executive officers named in the Summary Compensation Table (the "**named executive officers**").

Compensation Governance

The Company's Compensation Committee is responsible for overseeing the Company's compensation policies, processes and practices. The Compensation Committee is also responsible for evaluating performance in determining the compensation of the Chief Executive Officer and the Executive Chairman, and seeks input from the Board to ensure feedback is thorough and robust. The Compensation Committee also ensures that compensation policies and practices provide an appropriate balance of risk and reward consistent with the Company's risk profile. The Board has established a written charter for the Compensation Committee setting out its responsibilities for administering the Company's compensation programs and reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to the Company's directors and executive officers.

The members of the Compensation Committee are James A.C. Kennedy, Jonathan P. May, Frank Savage, and Alison Worthington. The Compensation Committee is chaired by Mr. Kennedy, former President and Chief Executive Officer of global investment management firm T. Rowe Price Group. Mr. Kennedy brings valuable knowledge and expertise to the Compensation Committee, and his experience includes serving as the Compensation Committee chair of United Airlines Holdings, Inc. All of the members of the Compensation Committee are independent directors in that they do not have a direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of the director's independent judgment. The independence of the compensation consultant is assessed by the Compensation Committee on an annual basis to ensure continued independence. In the coming year, the Compensation Committee also intends to begin evaluating its own performance on an annual basis.

The Compensation Committee is tasked with establishing an executive compensation program, which includes any share-based awards, option-based awards or the establishment of any non-equity incentive plans. The terms of any proposed compensation for the directors of the Company who are not also officers of the Company (including any share-based awards or options to be granted) are determined by the Compensation Committee.

To assist in reviewing and determining executive compensation, beginning in October 2018 and throughout 2020, the Compensation Committee retained ClearBridge Compensation Group, LLC ("**ClearBridge**") to provide services to the Compensation Committee in connection with executive officer and director compensation matters, including, among other things, the following:

- assist in reviewing the Compensation Committee Charter and processes;
- assist in reviewing the Company's compensation philosophy;
- assist in updating/developing the comparator groups;
- assist in reviewing the competitiveness of the Company's recommended 2020 cash and equity-based compensation arrangements for NEOs and other key executives;
- assist in designing the 2020 LTI program; and
- assist in reviewing the director compensation program.

The following table sets out the aggregate fees billed by ClearBridge for its services related to determining compensation for the Company's executive officers for the most recently completed financial year of the Company:

	Year Ended December 31, 2020
Executive Compensation-Related Fees	C$ 512,253
All Other Fees	—

All services provided by ClearBridge to the Company are pre-approved by the Compensation Committee.

2020 Performance Highlights

In 2020, in spite of the headwinds created by the COVID-19 global pandemic, the Company was able to achieve record operational performance, while also continuing to pursue and execute on strategic initiatives, specifically:

i. delivered combined revenue of $197.9 million, an increase of 151% from the prior year; combined gross profit of $76.1 million (excludes changes in fair value of biological assets and inventory sold), an increase of 260% over the prior year; and became adjusted EBITDA positive starting in Q3 of 2020 (excludes changes in fair value of biological assets sold, share based compensation expense, and other non-recurring items deemed unrelated to current operations);

ii. ended the year with $61M cash;

iii. added 39 dispensaries to the Company's footprint;

iv. made significant progress on many key M&A initiatives, including but not limited to completing the acquisition of The Green Leaf Solutions and Project Cannabis, entering into agreements to acquire Green Leaf Medical and The Healing Center San Diego (acquisition has since been completed in 2021), and continuing to identify and pursue other M&A opportunities that align with the Company's business strategy; and

v. successfully transitioned certain jobs to remote-work with limited disruptions to the Company's customers and business, as well as successfully implemented safety measures at all facilities, allowing the Company to continue operations during the global pandemic, while also providing a safe environment for the Company's employees and customers.

Compensation Discussion and Analysis

Compensation Philosophy and Objectives

The Company operates in a dynamic and rapidly evolving market. To succeed in this environment and to achieve business and financial objectives, the Company needs to attract, retain and motivate a highly talented team of executive officers. The Company expects the team of executive officers to possess and demonstrate strong leadership and management capabilities, as well as foster the Company's entrepreneurial, patient-centric, and results-driven culture, which is at the foundation of the Company's success and remains a pivotal part of the Company's everyday operations.
The Company's executive officer compensation program is designed to achieve the following objectives:

- provide market competitive compensation opportunities in order to attract and retain talented, high performing and experienced executive officers, whose knowledge, skills and performance are critical to the Company's success;
- incentivize the Company's executive officers to achieve the Company's business and financial objectives;
- align the interests of the Company's executive officers with those of the Company's shareholders; and
- balance achieving short-term results and creating long-term sustainable value to shareholders by providing incentives that encourage the Company's executive officers to take appropriate levels of risk and that enforce a strong pay for performance relationship.

Benchmarking

As previously noted, a key component of the Company's compensation philosophy is to provide market competitive compensation opportunities in order to attract and retain talented, high performing and experienced executive officers, whose knowledge, skills and performance are critical to the Company's success. The Company's comparator group consists of a combination of companies in the Cannabis industry and high-growth companies in the broad market that are around a relevant size to Columbia Care. For 2020 compensation benchmarking purposes, in consultation with ClearBridge Compensation Group, LLC ("**ClearBridge**"), an independent compensation consulting group, the decision was made to split the comparator group into two separate groups, specifically:

i. **Cannabis Comparator Group**: Consists of 15 North American cannabis companies that met certain size criteria to provide insight into how competitors set and design compensation, and

ii. **Broad Market Competitor Group:** Consists of 18 North American high-growth companies (as defined by revenue growth), intended to supplement the Cannabis Comparator Group, to provide insight into how similarly-sized companies in other non-cannabis, high-growth industries set and design compensation.

2020 Cannabis Comparator Group

Aurora Cannabis Inc.	Curaleaf Holdings, Inc.	iAnthus Capital Holdings, Inc.	TerrAscend Corp.
Charlotte's Web Holdings, Inc.	Green Thumb Industries Inc.	MedMen Enterprises Inc.	Tilray, Inc.
Cresco Labs Inc.	Harvest Health & Recreation Inc.	Organigram Holdings Inc.	Trulieve Cannabis Corp.
Cronos Group Inc.	HEXO Corp.	Sundial Growers Inc.	

2020 Broad Market Comparator Group

Adamas Pharmaceuticals, Inc.	Flexion Therapeutics, Inc.	OptiNose, Inc.	Theravance Biopharma, Inc.
Cardlytics, Inc.	Invitae Corporation	Paratek Pharmaceuticals, Inc.	Twist Bioscience Corporation
CareDx, Inc	Inspire Medical Systems, Inc.	Radius Health, Inc.	Ultragenyx Pharmaceutical Inc.
Casa Systems, Inc.	iRhythm Technologies, Inc.	REGENXBIO Inc.	
Coherus BioSciences, Inc.	NewAge, Inc.	The Joint Corp.	

Note: As part of the 2020 comparator group review, Alteryx Inc., AppFolio Inc., Everbridge Inc., Glaukos Corporation, New Relic Inc., Penumbra Inc., Reata Pharmaceuticals Inc., Teladoc Health Inc., and Yext Inc. were removed from the comparator group given they no longer meet the required size criteria.

When setting target pay levels, the Compensation Committee uses compensation data from the comparator groups as one of many considerations. The Compensation Committee does not target any specific market positioning but rather references the 50th percentile, recognizing that the specific positioning for each NEO varies based on multiple factors such as individual performance, job responsibilities, and historical compensation levels.

Elements of Compensation

The compensation of executives of the Company includes three main elements: (i) base salary; (ii) an annual bonus; and (iii) long-term equity incentives. Perquisites and personal benefits are not a significant element of compensation for the Company's executive officers.

Base Salaries

Base salary is provided as a fixed source of compensation for the Company's executive officers. Adjustments to base salaries are reviewed annually and as warranted throughout the year to reflect promotions or other changes in the scope of an executive officer's role or responsibilities, as well as to maintain market competitiveness.

Annual Bonuses

Annual bonuses are designed to motivate the Company's executive officers to meet annual business and financial objectives. The annual bonus plan supports the Company's strategic and financial goals and considers performance versus key performance indicators as a factor in determining bonus payments to the Company's executive officers. The Compensation Committee, after considering all relevant Company and individual performance factors, determines annual bonus payouts for the CEO and Executive Chairperson in their discretion. The Compensation Committee oversees the bonus determination process for the other NEOs.

Specifically, in 2020, the Compensation Committee considered and assessed the Company's financial performance (e.g., revenue, margin, cash flow, and balance sheet achievement versus budget), operational performance (e.g., operating results improvement, licenses awarded, build out of operations facilities, quality control, and regulatory compliance), and individual performance versus pre-established KPIs. Given the Company's record performance in 2020 as noted under the heading "*2020 Performance Highlights*" above, especially considering the challenges created by the COVID-19 pandemic in 2020, the bonuses were made with an average payout of 162% of target for the NEOs.

Long-Term Incentives

Long-term incentive ("**LTI**") compensation awards provide continual motivation for the Company's officers, employees and consultants to achieve business and financial objectives and align their interests with the long-term interests of the Company's shareholders. The purpose of the LTI program is to promote alignment of interests between employees and shareholders, and to support the achievement of the Company's longer-term performance objectives, while also promoting long-term retention.

As a result, the annual LTI program consists of 35% PSUs and 65% time-vested RSUs for the NEOs in order to incentivize performance, provide alignment with shareholders and meet the Company's retention needs. The RSU grant is earned based on employee service, vesting 25% per year over a four-year period.

The 2020 PSU grant was tied to fiscal year 2020 financial and strategic performance goals, with two years of additional vesting, resulting in a three-year cliff vesting grant. Goals were set based on one year of performance (fiscal year 2020) recognizing the Company's business stage and the challenges with setting multi-year goals given the quickly evolving nature of the cannabis industry. Specifically, the PSUs were tied to Company revenue, gross profit margin (excludes changes in fair value of biological assets and inventory sold), and adjusted EBITDA (excludes changes in fair value of biological assets sold, share based compensation expense, and other non-recurring items deemed unrelated to current operations). PSU payouts can range from 0% of target to 150% of target for achieving maximum performance, with a payout of 50% of target for achieving the threshold performance level. There are no payouts for below threshold performance. On an as needed basis, in their discretion, the Compensation Committee has a discretionary modifier of up to +/- 20 percentage points when determining performance-based vesting, capped at the maximum payout of 150% of target.

Based on the Company's achievement against the 2020 operational metrics, the PSUs were calculated to pay out at 135.75% of target. Given the Company's record performance in 2020 as noted under the heading "*2020 Performance Highlights*" above, especially considering the challenges created by the COVID-19 global pandemic in achieving that performance, the Compensation Committee applied its discretionary modifier per the plan design to approve a payout of 150% of target for the PSUs. Earned PSUs will be vested and settled in 2023.

2020 Annual Total Target Compensation

As of fiscal year end 2020, the Company's NEO's annual target compensation levels were as follows:

Name and Principal Position	Base Salary ($)	Target Bonus (% of Base)	Total Cash Compensation ($)	Long-term Incentives ($)	Target Total Direct Compensation ($)
Nicholas Vita					
CEO and Director	$ 420,000	75%	$ 735,000	$2,450,000	$ 3,185,000
Michael Abbott					
Executive Chairman and Director	$ 400,000	50%	$ 600,000	$1,750,000	$ 2,350,000
Lars Boesgaard(1)					
Former CFO	$ 283,000	40%	$ 396,200	$ 600,000	$ 996,200
David Hart					
COO	$ 310,000	40%	$ 434,000	$1,200,000	$ 1,634,000
Jesse Channon					
Chief Growth Officer	$ 300,000	40%	$ 420,000	$ 600,000	$ 1,020,000

(1) Mr. Boesgaard resigned from the Company effective August 31, 2021..

2020 Sign-on Equity Grant to Jesse Channon

Effective November 26, 2019, the Company entered into an employment agreement with Jesse Channon to serve as the Company's Chief Growth Officer. In March 2020, in connection with Mr. Channon's employment agreement, the Company granted him a sign-on grant of $1,000,000 in RSUs that vests 25% per year over a four-year period (i.e., same vesting as annual RSU grants made to NEOs as part of the annual LTI program) and $500,000 in PSUs (at target) with 50% of the performance criteria tied to Company revenue goals for fiscal year 2020 and 50% tied to Company revenue goals for fiscal year 2021.

50% of the PSUs earned in each respective year vest at certification of performance, and the other 50% of earned PSUs in each respective year cliff vest at the end of fiscal year 2022. PSU payouts can range from 50% of target for achieving threshold performance to 200% of target for achieving maximum performance. There are no payouts for below threshold performance.

Given the Company's revenue performance in 2020, the payout for the portion of Mr. Channon's PSUs that are earned based on 2020 revenue performance was calculated at 135.19% of target PSUs. 50% of these earned PSUs vested at certification of performance and the other 50% will vest at the end of 2022.

Summary Compensation Table

The following table sets forth all compensation paid to or earned by the named executive officers of the Company in the last three fiscal years.

Name and Principal Position	Year	Salary ($)	Share-Based Awards(1)(2)(3) ($)	Option-Based Awards ($)	Non-equity Incentive Plan Compensation ($)		All Other Compensation(4) ($)	Total Compensation ($)
					Annual Incentive Plans	Long-term Incentive Plans		
Nicholas Vita	2020	$416,339	$ 2,722,138	$ 0	$550,000	$ 0	$ 19,979	$ 3,708,456
CEO and Director	2019	$400,000	$19,008,876	$ 0	$225,000	$ 0	$ 27,959	$19,661,835
Michael Abbott	2020	$400,000	$ 1,944,386	$ 0	$350,000	$ 0	$ 43,229	$ 2,737,614
Executive Chairman and Director	2019	$400,000	$18,683,588	$ 0	$120,000	$ 0	$ 21,428	$19,225,016
Lars Boesgaard(5)	2020	$281,536	$ 666,649	$ 0	$180,000	$ 0	$ 1,072	$ 1,129,256
Former CFO	2019	$273,940	$ 2,936,950	$ 0	$142,500	$ 0	$ 1,072	$ 3,354,463
David Hart	2020	$308,169	$ 1,333,295	$ 0	$190,000	$ 0	$ 1,072	$ 1,832,537
COO	2019	$297,476	$ 6,859,594	$ 0	$ 90,000	$ 0	$ 1,162	$ 7,248,232
Jesse Channon(6)	2020	$295,423	$ 2,324,358	$ 0	$180,000	$ 0	$ 1,072	$ 2,800,854
Chief Growth Officer	2019	$ 7,404	$ 0	$ 0	$ 0	$ 0	$ 89	$ 7,493

Notes:

(1) 2020 share-based award values converted to USD based on an exchange rate of 1 CAD: 0.784808 USD; 2019 share-based award values converted to USD based on an exchange rate of 1 CAD: 0.768233.

(2) For 2020, reflects (i) annual share-based awards, specifically 894,663 RSUs and 481,742 PSUs granted to Mr. Vita, 639,045 RSUs and 344,102 PSUs granted to Mr. Abbott, 219,102 RSUs and 117,978 PSUs granted to Mr. Boesgaard, 438,203 RSUs and 235,956 PSUs granted to Mr. Hart, and 219,102 RSUs and 117,978 PSUs granted to Mr. Channon, and (ii) sign-on award of 680,273 RSUs and 340,137 PSUs to Mr. Channon. PSU amounts are disclosed at target.

(3) For 2019, reflects (i) annual share-based awards, specifically 263,514 RSUs and 141,892 PSUs granted to Mr. Vita, 204,955 RSUs and 110,361 PSUs granted to Mr. Abbott, 70,271 RSUs and 37,838 PSUs granted to Mr. Boesgaard, and 117,118 RSUs and 63,064 PSUs granted to Mr. Hart, and (ii) Post-Closing RSU Grants, specifically 870,691 time-vested RSUs and 1,741,382 performance-vested RSUs granted to Messrs. Vita and Abbott, 174,139 time-vested RSUs and 174,139 performance-vested RSUs granted to Mr. Boesgaard, and 435,346 time-vested RSUs and 435,346 performance-vested RSUs granted to Mr. Hart, and (iii) special one-time RSU award of 12,423 time-vested RSUs to Mr. Boesgaard. PSU amounts are disclosed at target.

(4) Reflects (i) reimbursements for the cost of life insurance, specifically $1,346 for Mr. Vita, $13,482 for Mr. Abbott, and $1,072 each for Messrs. Boesgaard, Hart, and Channon, and (ii) reimbursements for tax planning services, specifically $18,633 for Mr. Vita and $29,746 for Mr. Abbott.

(5) Mr. Boesgaard resigned from the Company effective August 31, 2021.

(6) Mr. Channon was appointed Chief Growth Officer effective November 26, 2019.

Outstanding Equity Awards Table

The following table sets forth information concerning the option-based and share-based awards granted to the Company's Named Executive Officers that were outstanding as of December 31, 2020.

	Option-based Awards				Share-based Awards		
Name and Principal Position	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Options ($)**	**Number of Shares or Units of Shares That Have Not Vested (#)**	**Market or Payout Value of Share-Based Awards That Have Not Vested ($)(1)(2)**	**Market Or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)(1)(3)**
Nicholas Vita							
CEO and Director	—	$ 0	—	$ 0	4,071,526	$24,732,134	$ 0
Michael Abbott							
Executive Chairman and Director	—	$ 0	—	$ 0	3,547,777	$21,550,666	$ 0
Lars Boesgaard(4)							
Former CFO	—	$ 0	—	$ 0	812,215	$ 4,933,730	$ 340,349
David Hart							
COO	—	$ 0	—	$ 0	2,054,063	$12,477,229	$2,590,088
Jesse Channon							
Chief Growth Officer	—	$ 0	—	$ 0	1,476,326	$ 8,967,816	$ 0

Notes:

(1) Market value of unvested share-based awards and vested but undistributed share-based awards calculated based on the closing share price on December 31, 2020 (converted to USD based on an exchange rate of 1 CAD: 0.784808 USD).

(2) For outstanding PSUs whose performance has been certified, reflects number of shares eligible to vest; for outstanding PSUs whose performance has not yet been certified, reflects target number of shares.

(3) Reflects market value of vested deferred compensation granted under the Legacy Management Incentive Plan and converted into deferred RSUs in connection with the completion of the qualifying transaction between the Company, under the name "Canaccord Genuity Growth Corp.," and Columbia Care LLC in 2019 (the "**Business Combination**"); Columbia Care Inc.'s Board of Directors approved termination of the Income Incentive Plan (i.e., the deferred compensation plan under the Legacy Management Incentive Plan), effective April 1, 2020, and all outstanding deferred compensation will subsequently be paid out between 12 and 24 months following plan termination per 409A of the IRS code.

(4) Mr. Boesgaard resigned from the Company effective August 31, 2021.

Deferred Compensation Plans

The Company's Board of Directors approved termination of the Income Incentive Plan (i.e., the deferred compensation plan under the Legacy Management Incentive Plan), effective April 1, 2020, and all outstanding deferred compensation will subsequently be paid out in shares of the Company between 12 and 24 months following plan termination per 409A of the IRS code. The Company has no other deferred compensation plans.

Termination and Change of Control Benefits

Other than as described herein, the Company does not have any contract, agreement, plan or arrangement that provides for payments to a NEO at, following, or in connection with a termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in a NEO's responsibilities. Note that the dollar value of potential accelerated equity in connection with a qualifying termination reflects an exchange rate of 1 CAD: 0.784808 USD.

Nicholas Vita

On April 26, 2019, the Company entered into an employment agreement with Mr. Vita (the "**Vita Agreement**"). In the event of termination without cause of Mr. Vita's employment or if Mr. Vita resigns for good reason in connection with a change of control, Mr. Vita shall receive (i) an amount equal to thirty-six (36) months of the sum of Mr. Vita's then base salary and target bonus paid over such 36-month period in installments on the Company's regular payroll schedule following the termination date; (ii) the Company shall pay its share of Mr. Vita's health insurance premiums to continue Mr. Vita's health insurance coverage for thirty-six (36) months beyond the termination date; and (iii) Mr. Vita shall receive outplacement services for a period of one (1) year following the termination date. The change of control payments and benefits that would be made to Mr. Vita are conditioned on and subject to Mr. Vita signing and not rescinding the Vita Agreement, a non-disclosure agreement and an effective, general release of all claims in favour of the Company within no greater than 60 days following the termination date. Upon a qualifying termination in connection with a change of control, Mr. Vita's outstanding time-vested RSUs, including the time-vested portion of his outstanding Post-Closing RSU Grant, will vest in full and his outstanding performance-vested RSUs/PSUs, including his performance-vested portion of his Post-Closing RSU Grant, will vest, with the number of shares earned to be based on actual performance through the consummation of the change of control. The total estimated incremental payments, payables and benefits to Mr. Vita in the event his employment is terminated in connection with a change of control, as if such event occurred on the last business day of the Company's most recently completed financial year, is $16,405,860, with Mr. Vita's health insurance coverage continuing for thirty-six (36) months from the termination date.

In the event that the Company terminates Mr. Vita's employment without cause or Mr. Vita resigns for good reason, Mr. Vita shall receive (i) an amount equal to twenty-four (24) months of the sum of Mr. Vita's then base salary and target bonus paid over such 24-month period in installments on the Company's regular payroll schedule following the termination date; (ii) the Company shall pay its share of Mr. Vita's health insurance premiums to continue Mr. Vita's health insurance coverage for twenty-four (24) months beyond the termination date; and (iii) Mr. Vita shall receive outplacement services for a period of one (1) year following the termination date. The payments and benefits that would be made to Mr. Vita are conditioned on and subject to Mr. Vita signing and not rescinding the Vita Agreement, a non-disclosure agreement and an effective, general release of all claims in favour of the Company within no greater than 60 days following the termination date. Upon an involuntary termination without cause or a termination for good reason, Mr. Vita's outstanding time-vested RSUs and performance-vested RSUs/PSUs will be forfeited. As an exception, Mr. Vita's outstanding time-vested portion of his Post-Closing RSU Grant will vest in full and his performance-vested portion of his Post-Closing RSU Grant will vest, with the number of shares earned to be based on actual performance through the full performance period, pro-rated for months served. The total estimated incremental payments and payables to Mr. Vita in the event of termination of his employment without cause (other than due to a change of control), as if such event occurred on the last business day of the Company's most recently completed financial year, is $4,145,539, with Mr. Vita's health insurance coverage continuing for twenty-four (24) months from the termination date.

Michael Abbott

On April 26, 2019, the Company entered into an employment agreement with Mr. Abbott (the "**Abbott Agreement**"). In the event of termination without cause of Mr. Abbott's employment or if Mr. Abbott resigns for good reason in connection with a change of control, Mr. Abbott shall receive (i) an amount equal to thirty-six (36) months of the sum of Mr. Abbott's then base salary and target bonus paid over such 36-month period in installments on the Company's regular payroll schedule following the termination date; (ii) the Company shall pay its share of Mr. Abbott's health insurance premiums to continue Mr. Abbott's health insurance coverage for thirty-six (36) months beyond the termination date; and (iii) Mr. Abbott shall receive outplacement services for a period of one (1) year following the termination date. The change of control payments and benefits that would be made to Mr. Abbott are conditioned on and subject to Mr. Abbott signing and not rescinding the Abbott Agreement, a non-disclosure agreement and an effective, general release of all claims in favour of the Company within no greater than 60 days following the termination date. Upon a qualifying termination in connection with a change of control, Mr. Abbott's outstanding time-vested RSUs, including the time-vested portion of his outstanding Post-Closing RSU Grant, will vest in full and his outstanding performance-vested RSUs/PSUs, including his performance-vested portion of his Post-Closing RSU Grant, will vest, with the number of shares earned to be based on actual performance through the consummation of the change of control. The total estimated incremental payments, payables and benefits to Mr. Abbott in the event his employment is terminated in connection with a change of control, as if such event occurred on the last business day of the Company's most recently completed financial year, is $12,819,391, with Mr. Abbott's health insurance coverage continuing for thirty-six (36) months from the termination date.

In the event that the Company terminates Mr. Abbott's employment without cause or Mr. Abbott resigns for good reason, Mr. Abbott shall receive (i) an amount equal to twenty-four (24) months of the sum of Mr. Abbott's then base salary and target bonus paid over such 24-month period in installments on the Company's regular payroll schedule following the termination date; (ii) the Company shall pay its share of Mr. Abbott's health insurance premiums to continue Mr. Abbott's health insurance coverage for twenty-four (24) months beyond the termination date; and (iii) Mr. Abbott shall receive outplacement services for a period of one (1) year following the termination date. The severance payments and benefits that would be made to Mr. Abbott are conditioned on and subject to Mr. Abbott signing and not rescinding the Abbott Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon an involuntary termination without cause or a termination for good reason, Mr. Abbott's outstanding time-vested RSUs and performance-vested RSUs/PSUs will be forfeited. As an exception, Mr. Abbott's outstanding time-vested portion of his Post-Closing RSU Grant will vest in full and his performance-vested portion of his Post-Closing RSU Grant will vest, with the number of shares earned to be based on actual performance through the full performance period, pro-rated for months served. The total estimated incremental payments and payables to Mr. Abbott in the event of termination of his employment without cause (other than due to a change of control), as if such event occurred on the last business day of the Company's most recently completed financial year, is $3,875,539, with Mr. Abbott's health insurance coverage continuing for twenty-four (24) months from the termination date.

David Hart

On April 26, 2019, the Company entered into an employment agreement with Mr. Hart (the "**Hart Agreement**"). The Hart Agreement may be terminated at any time by Mr. Hart or the Company. In the event of termination without cause of Mr. Hart's employment in connection with a change of control, Mr. Hart shall receive (i) an amount equal to twenty-four (24) months of Mr. Hart's then base salary paid over such 24-month period in installments on the Company's regular payroll schedule following the termination date; and (ii) the Company shall pay its share of Mr. Hart's health insurance premiums to continue Mr. Hart's health insurance coverage for twenty-four (24) months beyond the termination date. The change of control payments and benefits that would be made to Mr. Hart are conditioned on and subject to Mr. Hart signing and not rescinding the Hart Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon a qualifying termination in connection with a change of control, Mr. Hart's outstanding time-vested RSUs, including the time-vested portion of his outstanding Post-Closing RSU Grant, will vest in full and his outstanding performance-vested RSUs/PSUs, including his performance-vested portion of his Post-Closing RSU Grant, will vest, with the number of shares earned to be based on actual performance through the consummation of the change of control. Under the Legacy Management Incentive Plan, upon a change of control, outstanding restricted stock and restricted stock units that were converted from Capital Accumulation Incentive Plan Units and Income Incentive Plan Units, respectively, will fully vest (though administrator of plan may determine to require the earlier of a period of up to one year of continued employment post change of control or termination of employment). The total estimated incremental payments, payables and benefits to Mr. Hart in the event his employment is terminated in connection with a change of control, as if such event occurred on the last business day of the Company's most recently completed financial year, is $10,731,657, with Mr. Hart's health insurance coverage continuing for twenty-four (24) months from the termination date.

In the event that the Company terminates Mr. Hart's employment without cause, Mr. Hart shall receive (i) an amount equal to eighteen (18) months of Mr. Hart's then base salary paid over such 18-month period in installments on the Company's regular payroll schedule following the termination date; and the Company shall pay its share of Mr. Hart's health insurance premiums to continue Mr. Hart's health insurance coverage for eighteen (18) months beyond the termination date. The severance payments and benefits that would be made to Mr. Hart are conditioned on and subject to Mr. Hart signing and not rescinding the Hart Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon an involuntary termination without cause, Mr. Hart's outstanding time-vested RSUs and performance-vested RSUs will be forfeited. As an exception, the portion of Mr. Hart's outstanding time-vested portion of his Post-Closing RSU Grant that is scheduled to vest within the following twelve months will vest and his performance-vested portion of his Post-Closing RSU Grant will vest, with the number of shares earned to be based on actual performance through the full performance period, pro-rated for months served. Under the Legacy Management Incentive Plan, upon an involuntary termination without cause, outstanding restricted stock and RSUs that were converted from Capital Accumulation Incentive Plan Units and Income Incentive Plan Units, respectively, will be forfeited. The total estimated incremental payments and payables to Mr. Hart in the event of termination of his employment without cause (other than due to a change of control), as if such event occurred on the last business day of the Company's most recently completed financial year, is $1,335,296, with Mr. Hart's health insurance coverage continuing for eighteen (18) months from the termination date.

Jesse Channon

On November 26, 2019, the Company entered into an employment agreement with Mr. Channon (the "**Channon Agreement**"). The Channon Agreement may be terminated at any time by Mr. Channon or the Company. In the event of termination without cause of Mr. Channon's employment in connection with a change of control, Mr. Channon shall receive (i) an amount equal to eighteen (18) months of Mr. Channon's then base salary paid over such 18-month period in installments on the Company's regular payroll schedule following the termination date; and (ii) the Company shall pay its share of Mr. Channon's health insurance premiums to continue Mr. Channon's health insurance coverage for eighteen (18) months beyond the termination date. The change of control payments and benefits that would be made to Mr. Channon are conditioned on and subject to Mr. Channon signing and not rescinding the Channon Agreement, a non-disclosure agreement and an effective, general release of all claims in favour of the Company within no greater than 60 days following the termination date. Upon a qualifying termination in connection with a change of control, Mr. Channon's outstanding time-vested RSUs, will vest in full and his outstanding performance-vested RSUs/PSUs will vest, with the number of shares earned to be based on actual performance through the consummation of the change of control. The total estimated incremental payments, payables and benefits to Mr. Channon in the event his employment is terminated in connection with a change of control, as if such event occurred on the last business day of the Company's most recently completed financial year, is $9,621,116, with Mr. Channon's health insurance coverage continuing for eighteen (18) months from the termination date.

In the event that the Company terminates Mr. Channon's employment without cause, Mr. Channon shall receive (i) an amount equal to twelve (12) months of Mr. Channon's then base salary paid over such 12-month period in installments on the Company's regular payroll schedule following the termination date; and the Company shall pay its share of Mr. Channon's health insurance premiums to continue Mr. Channon's health insurance coverage for twelve (12) months beyond the termination date. The severance payments and benefits that would be made to Mr. Channon are conditioned on and subject to Mr. Channon signing and not rescinding the Channon Agreement, a non-disclosure agreement and an effective, general release of all claims in favour of the Company within no greater than 60 days following the termination date. Upon an involuntary termination without cause, Mr. Channon's outstanding time-vested RSUs and performance-vested RSUs will be forfeited. The total

estimated incremental payments and payables to Mr. Channon in the event of termination of his employment without cause (other than due to a change of control), as if such event occurred on the last business day of the Company's most recently completed financial year, is $435,534, with Mr. Channon's health insurance coverage continuing for twelve (12) months from the termination date.

Director Compensation

The following table sets forth all compensation paid to or earned by each non-employee director of the Company during fiscal year 2020.

Name[1]	Fees Earned or Paid in Cash[2] ($)	Share-Based Awards[3][4] ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total Compensation ($)
Jeff Clarke	$ 40,500	$ 273,418	$ 0	$ 0	$ 0	$ 313,918
James A.C. Kennedy	$ 59,500	$ 178,976	$ 0	$ 0	$ 0	$ 238,476
Jonathan P. May	$ 72,000	$ 178,976	$ 0	$ 0	$ 0	$ 250,976
Frank Savage	$ 44,375	$ 273,418	$ 0	$ 0	$ 0	$ 317,793
Alison Worthington	$ 5,000	$ 174,834	$ 0	$ 0	$ 0	$ 179,834
Igor Gimelshtein	$ 27,500	$ 0	$ 0	$ 0	$ 0	$ 27,500
John Howard	$ 13,375	$ 0	$ 0	$ 0	$ 0	$ 13,375
David Solomon	$ 10,750	$ 0	$ 0	$ 0	$ 0	$ 10,750

Notes:

(1) Effective January 31, 2020, Frank Savage and Jeff Clarke were named to the Board of Directors of Columbia Care Inc.; effective November 2, 2020, Alison Worthington was named to the Board of Directors of Columbia Care Inc.; effective January 31, 2020, John Howard and David Solomon transitioned from the Board of Directors to the Strategic Advisory Board; effective June 8, 2020, Igor Gimelshtein did not stand for re-election at the 2020 annual shareholder meeting.

(2) Reflects annual cash retainer for Board service and, as applicable, additional cash retainer for Lead Director and additional cash retainer for Committee chairs and members.

(3) Share-based award values converted to USD based on an exchange rate of 1 CAD: 0.784808 USD.

(4) Reflects (i) annual RSU awards, specifically 59,234 RSUs granted to each of Messrs. Clarke, Kennedy, May, and Savage, and (ii) pro-rated initial RSU awards, specifically 47,753 RSUs granted to each of Messrs. Clarke and Savage and 43,257 RSUs granted to Ms. Worthington.

Compensation Committee Interlocks and Insider Participation

During fiscal 2020, Frank Savage, James A.C. Kennedy and Jonathan P. May served as members of the Compensation Committee.

None of the Company's executive officers served as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served as a director of the Company or on the Compensation Committee, during fiscal 2020. None of the Company's executive officers served as a director of another entity, one of whose executive officers served on the Compensation Committee, during fiscal 2020.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, DIRECTOR INDEPENDENCE

Related Party Transaction Policy

The Company has not adopted a related party transaction policy.

Transactions with Related Persons

Since the beginning of the last fiscal year there have been none and there are no currently proposed transactions, in which the Company was or is to be a participant and the amount involved exceeds $120,000, and in which any related person had or will have a direct or indirect material interest.

Promoters

No person or company has been at any time during the past five fiscal years a promoter of the Company.

Director Independence

For purposes of this registration statement, the independence of our directors is determined under the corporate governance rules of the Nasdaq Capital Market ("**Nasdaq**"). The independence rules of Nasdaq include a series of objective tests, including that an "independent" person will not be employed by us and will not be engaged in various types of business dealings with us. In addition, the Board is required to make a subjective determination as to each person that no material relationship exists with the Company either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. It has been determined that six of our directors that we expect to be on the Board as of the Effective Date are independent persons under the independence rules of Nasdaq: Frank Savage, James A.C. Kennedy, Jonathan P. May, Jeff Clarke, Alison Worthington and Julie Hill.

ITEM 8. LEGAL PROCEEDINGS

Legal Proceedings

A subsidiary of the Company, and certain members of the Company's management team are respondent parties in a confidential arbitration before the American Arbitration Association. The arbitration was initiated on October 24, 2019, by an investor (the "Claimant") in a third-party entity, which, in turn, is an investor in a separate third-party entity for which certain members of the Company's management team are managers and to which the Company provides operating services pursuant to a written agreement. Claimant asserted direct, derivative, and double derivative claims against the respondent parties. The arbitration follows from a prior case filed by the Claimant on November 30, 2018, in the New York Supreme Court, Commercial Division (the "New York Proceeding") asserting similar claims as are at issue in the arbitration. In the New York Proceeding, the Claimant sought, among other remedies, preliminary injunctive relief to enjoin the Business Combination. On April 15, 2019, the New York Supreme Court, Commercial Division, finally denied Claimant's request for temporary restraining orders and preliminary injunctive relief, as well as compelled the dispute to arbitration. The Appellate Division, First Department affirmed those orders. The Company's subsidiary and the members of the Company's management team who are parties to the case have asserted defenses in respect of the allegations in the arbitration. However, there can be no assurance that they will be successful in pursuing such defenses and if they are not successful in establishing such defenses that the direct or indirect losses will not be material. The hearing commenced in the arbitration on February 3, 2021 and concluded March 22, 2021, with closing arguments occurring on June 3, 2021. The parties and other interest holders in the third-party entities are attempting to amicably resolve the matter and have reached a preliminary agreement, with no admissions of liability, that was approved by the Arbitrator on November 16, 2021, but remains subject to regulatory and other approvals. The Company has anticipatorily accrued $68,000,000 for potential share issuances and cash payments for purposes of acquisition and settlement of pre-existing relationships, inclusive of prospective acquisition costs relating to the third-party entities and other litigation costs. There can be no assurances that the proceedings will be amicably resolved, whether there will be regulatory approval for any settlement, when any underlying acquisition would close, or whether the ultimate result will exceed or be less than the amount that has been accrued.

A former owner of the Company's Florida-licensed business was sued by a former purported joint venture partner, alleging various statutory and common law claims related to the terminated joint venture. The Company is not a party to this lawsuit, but, as part of its acquisition of the business, had agreed to indemnify the owner for litigation costs and any judgment rendered in the matter, in excess of $750,000. On January 20, 2021, following an arbitration hearing, the arbitration panel issued a partial final award in the former joint venture partner's favor on three of the 11 claims asserted and awarded the former joint venture partner $10,553,214.30 plus

prejudgment interest from July 26, 2017 through the present, as well as reasonable attorneys' fees. On March 2, 2021, the Panel issued a Final Award, awarding the former joint venture partner a total of $15,195,230.85 inclusive of prejudgment interest and attorneys' fees. The Company is financially responsible for payment of the Final Award, pursuant to its indemnification commitment to the former owner. Two subsidiaries of the Company, and certain members of the Company's management team were named in a separate lawsuit commenced by the same former joint venture partner alleging various claims related to the same terminated joint venture. The trial court dismissed a majority of the claims in the lawsuit. All parties to the arbitration and the additional lawsuit have agreed to amicably resolve the arbitration and the additional lawsuit. There are no admissions of liability. In furtherance of the resolution, the Company had a total accrual of $22,800,000.

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

Trading Price and Volume

The Company's common shares are listed on the NEO under the symbol "CCHW", on the CSE under the symbol "CCHW", on the OTCQX under the symbol "CCHWF" and on the Frankfurt Stock Exchange under the symbol "3LP".

Shareholders

As of November 12, 2021, there are 348 holders of record of our common shares.

Dividends

The Company has not declared cash dividends on the common shares in the past. The Company currently intends to reinvest all future earnings to finance the development and growth of its business. As a result, the Company does not intend to pay dividends on the common shares in the foreseeable future. Any future determination to pay distributions will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that the Board deems relevant. The Company is not bound or limited in any way to pay dividends in the event that the Board determines that a dividend is in the best interest of its shareholders.

Equity Compensation Plans

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding convertible securities, the weighted-average exercise price of such outstanding convertible securities and the number of Common Shares remaining available for future issuance under equity compensation plans as at December 31, 2020.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding securities(1)	Weighted-average exercise price of outstanding securities(2)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by Shareholders	13,790,439	C$ 10.90	12,982,359(3)
Equity compensation plans not approved by Shareholders	Nil.	Nil.	Nil.
Total	13,790,439	C$ 10.90	12,982,359(3)

Notes:

(1) The 13,790,439 Common Shares to be issued upon exercise of outstanding securities, warrants and rights consists of (i) 3,263,012 Common Shares that may be issued upon the vesting of PSUs, (ii) 10,472,043 Common Shares that may be issued upon the vesting of RSUs and (iii) 55,384 Common Shares that may be issued upon the exercise of Options. For outstanding PSUs whose performance has been certified, reflects number of shares eligible to vest; for outstanding PSUs whose performance has not yet been certified, reflects target number of shares.

(2) Represents the weighted-average exercise price of Options to purchase 55,384 Common Shares. This weighted average does not take into account Common Shares that may be issued upon the vesting of PSUs or RSUs.
(3) Convertible securities remaining as of December 31, 2020, based on a maximum of 10% of the aggregate number of Common Shares reserved for issuance (assuming the conversion of all Proportionate Voting Shares to Common Shares) (i.e., 276,511,831 shares).

Exchange Controls

There are no governmental laws, decrees or regulations in Canada that restrict the export or import of capital, including foreign exchange controls, or that affect the remittance of dividends, interest or other payments to nonresident holders of the securities of the Company, other than Canadian withholding tax. See "*Certain Canadian Federal Income Tax Considerations for Non-Residents of Canada*," below.

Certain Canadian Federal Income Tax Considerations for Non-Residents of Canada

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the *Income Tax Act* (Canada) and the regulations promulgated thereunder (the "**Tax Act**") to a holder who acquires, as beneficial owner, our Common Shares, and who, for purposes of the Tax Act and at all relevant times: (i) holds the Common Shares as capital property; (ii) deals at arm's length with, and is not affiliated with, us; (iii) is not, and is not deemed to be resident in Canada; and (iv) does not use or hold and will not be deemed to use or hold, our Common Shares in a business carried on in Canada (a "**Non-Resident Holder**"). Generally, our Common Shares will be considered to be capital property to a Non-Resident Holder provided the Non-Resident Holder does not hold our Common Shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer that carries on an insurance business in Canada and elsewhere or is an authorized foreign bank (as defined in the Tax Act). **Such Non-Resident Holders should seek advice from their own tax advisors**.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, all specific proposals, or the Proposed Amendments, to amend the Tax Act that have been publicly and officially announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and management's understanding of the current administrative policies and practices of the Canada Revenue Agency (the "**CRA**") published in writing by it prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in their current form, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or any changes in the CRA's administrative policies or practices, whether by legislative, governmental, or judicial action or decision, nor does it take into account or anticipate any other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

Non-Resident Holders should consult their own tax advisors with respect to an investment in our Common Shares. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser or holder of our Common Shares, and no representations with respect to the income tax consequences to any prospective purchaser or holder are made. Consequently, prospective purchasers or holders of our Common Shares should consult their own tax advisors with respect to their particular circumstances.

Currency Conversion

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding, or disposition of our Common Shares must be converted into Canadian dollars based on the exchange rates as determined in accordance with the Tax Act. The amounts subject to withholding tax and any capital gains or capital losses realized by a Non-Resident Holder may be affected by fluctuations in the Canadian-U.S. dollar exchange rate.

Disposition of Common Shares

A Non-Resident Holder will not generally be subject to tax under the Tax Act on a disposition of a Common Share, unless the Common Share constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention.

Provided the Common Shares are listed on a "designated stock exchange," as defined in the Tax Act at the time of disposition, the Common Shares will generally not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60-month period immediately preceding the disposition the following two conditions are satisfied concurrently: (i) (a) the Non-Resident Holder; (b) persons with whom the Non-Resident Holder did not deal at arm's length; (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; or (d) any combination of the persons and partnerships described in (a) through (c), owned 25% or more of the issued shares of any class or series of our shares; and (ii) more than 50% of the fair market value of our shares was derived directly or indirectly from one or any combination of: real or immovable property situated in Canada, "Canadian resource properties", "timber resource properties" (each as defined in the Tax Act), and options in respect of, or interests in or for civil law rights in, such properties (whether or not such property exists). Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, the Common Shares could be deemed to be taxable Canadian property. Even if the Common Shares are taxable Canadian property to a Non-Resident Holder, such Non-Resident Holder may be exempt from tax under the Tax Act on the disposition of such Common Shares by virtue of an applicable income tax treaty or convention. **A Non-Resident Holder contemplating a disposition of Common Shares that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.**

Receipt of Dividends

Dividends received or deemed to be received by a Non-Resident Holder on our Common Shares will be subject to Canadian withholding tax under the Tax Act. The general rate of withholding tax is 25%, although such rate may be reduced under the provisions of an applicable income tax convention between Canada and the Non-Resident Holder's country of residence. For example, under the Treaty, the rate is generally reduced to 15% where the Non-Resident Holder beneficially owns such dividends and is a resident of the United States for the purposes of, and is fully entitled to the benefits of, the Treaty.

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES

The following information represents securities sold by the Company within the past three years, which were not registered under the Securities Act. Included are new issues, securities issued in exchange for property, services or other securities, securities issued upon conversion from other Company share classes and new securities resulting from the modification of outstanding securities. The Company sold all of the securities listed below pursuant to the exemption from registration provided by Section 4(a)(2) or Rule 701 of the Securities Act, or Regulation D or Regulation S promulgated thereunder. The appropriate exemption was determined based on representations by the purchasers and agents or underwriters in the relevant financings.

Initial Public Offering

On September 20, 2018 (the "IPO Closing"), Canaccord Genuity Growth Corp. ("Canaccord"), predecessor to the Company, closed its initial public offering (the "IPO") of 15,352,500 Class A Restricted Voting Units, including the exercise of the over-allotment option, at a price of C$3.00 per Class A Restricted Voting Unit for gross proceeds of C$46,057,500. Each Class A Restricted Voting Unit consisted of one Class A Restricted Voting Share and one share purchase warrant. Prior to any qualifying transaction under Canadian securities laws, the Class A Restricted Voting Shares and the CGGC Warrants traded as a unit and could only be redeemed as a unit. Following the completion of the qualifying transaction, each Class A Restricted Voting Share and each Class B Share automatically converted into one Common Share. Canaccord Genuity Corp. and Cormark Securities Inc. acted as co-lead underwriters in the offering.

Prior to the IPO Closing, CG Investments Inc. (the "Sponsor") and three of Canaccord's directors, Neil Maruoka, Kent Farrell and James Merkur (collectively, the "Founders"), purchased 4,046,458 Class B Shares (the "Founders' Shares"), for an aggregate price of C$25,000, or approximately C$0.006 per Founder's Share. Concurrently with the IPO Closing, the over-allotment option was exercised in full, resulting in no Founders' Shares being forfeited by the Sponsor. In addition, concurrent with IPO Closing, the Sponsor purchased 833,333 Class B Units of Canaccord (each consisting of one Class B Share and one Warrant) for a purchase price of C$3.00 per Class B Unit, resulting in aggregate proceeds of approximately C$2,500,000 to Canaccord.

2018 Private Placement of Subscription Receipts

On November 1, 2018, Canaccord, closed an C$85.1 million offering of subscription receipts at C$2.30 per subscription receipt, which would be converted into Class B Shares on closing of the acquisition of Columbia Care LLC. Canaccord Genuity Corp. and Cormark Securities Inc. acted as agents in the offering.

March 2020 Private Placement of Units

On March 31, 2020, the Company completed the March 2020 Private Placement for gross proceeds of US$14,250,000. Each March 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of 9.875% senior secured first-lien notes; and (ii) 113 common share purchase warrants of the Company. On April 23, 2020, the Company completed the second and final tranche of the March 2020 Private Placement for additional gross proceeds of US$1,000,000. In total, the gross proceeds under the March 2020 Private Placement totaled US$15,250,000.

The March 2020 Private Placement Notes were governed by the terms of a trust indenture dated March 31, 2020 between the Company and Odyssey Trust Company, as trustee. The March 2020 Private Placement Warrants are governed by the terms of the March 2020 Warrant Indenture dated March 31, 2020 between the Company and Odyssey Trust Company, as warrant agent.

May 2020 Private Placement

On May 14, 2020, the Company completed the May 2020 Private Placement of the May 2020 Private Placement Units for gross proceeds of US$19,115,000. Each May 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of 13.00% senior secured first-lien notes; and (ii) 120 common share purchase warrants of the Company.

The May 2020 Private Placement Notes are governed by the terms of the May 2020 Trust Indenture dated May 14, 2020 between the Company and Odyssey Trust Company, as trustee. The May 2020 Private Placement Warrants are governed by the terms of the May 2020 Warrant Indenture dated May 14, 2020 between the Company and Odyssey Trust Company, as warrant agent.

The May 2020 Private Placement Units were issued pursuant to the terms of the May 2020 Private Placement Subscription Agreements entered into between the Company and the subscribers of the May 2020 Private Placement Units and pursuant to an agency agreement dated as of May 11, 2020 between the Company and Canaccord Genuity Corp., as agent for the May 2020 Private Placement.

As part of the May 2020 Private Placement, the March 2020 Private Placement Notes were cancelled and exchanged for an equivalent number of May 2020 Private Placement Notes. Subscribers of March 2020 Private Placement Units were issued an additional 8.55 May 2020 Private Placement Warrants for each March 2020 Private Placement Unit held by such subscribers.

July 2020 Private Placement of Units

On July 2, 2020, the Company completed the July 2020 Unit Private Placement of the July 2020 Private Placement Units for gross proceeds of US$4,000,000. Each July 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of July 2020 Private Placement Notes; and (ii) 75 common share purchase warrants the July 2020 Private Placement Warrants of the Company.

The July 2020 Private Placement Warrants are governed by the terms of the July 2020 Warrant Indenture dated July 2, 2020 between the Company and Odyssey Trust Company, as warrant agent.

October 2020 Private Placement of Units

On October 29, 2020, Columbia Care completed the October 2020 Private Placement Units for gross proceeds of approximately US$20,000,000 million. Each October 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of 13.00% senior secured first-lien notes; and (ii) 60 common share purchase warrants of the Company.

The October 2020 Private Placement Notes are governed by the terms of the May 2020 Trust Indenture, as supplemented, between the Company and Odyssey Trust Company, as trustee. The October 2020 Private Placement Warrants are governed by the terms of the October 2020 Warrant Indenture dated October 29, 2020 between the company and Odyssey Trust Company, as warrant agent.

November 2020 Private Placement of Units

On November 10, 2020, Columbia Care completed a non-brokered private placement of October 2020 Private Placement Units for gross proceeds of approximately US$9.1 million. On November 27, 2020, Columbia Care completed a non-brokered private placement of October 2020 Private Placement Units for gross proceeds of approximately US$3,000,000 million.

On November 30, 2020, Columbia Care completed the November 2020 Private Placement Units for gross proceeds of approximately US$200,000. Each November 2020 Private Placement Unit was comprised of: (i) US$1,000 principal amount of October 2020 Private Placement Notes; and (ii) 125 October 2020 Private Placement Warrants.

January 2021 Offering of Common Shares

On January 13, 2021, Columbia Care completed the January 2021 Offering for gross proceeds of C$149,508,625, which included the exercise in full of the over-allotment option granted to the underwriters, before deducting the underwriters' fees and estimated offering expenses. The January 2021 Offering was conducted in each of the provinces of Canada, other than Québec, pursuant to a prospectus supplement to the Company's base shelf prospectus dated September 2, 2020 and elsewhere outside of Canada on a private placement basis. Canaccord Genuity Corp, ATB Capital Markets Inc. acted as co-lead underwriters, along with Beacon Securities Limited, Eight Capital, Echelon Wealth Partners Inc., Paradigm Capital Inc. and PI Financial Corp.

February 2021 Private Placement of Common Shares

On February 25, 2021, Columbia Care completed the February 2021 Offering for gross proceeds of C$28,980,000, which included the exercise in full of the over-allotment option granted to the underwriters, before deducting the underwriters' fees and estimated offering expenses. The February 2021 Offering was conducted in certain provinces of Canada pursuant to applicable exemptions from the prospectus requirements of Canadian securities laws. The Common Shares were also sold in the United States and in certain jurisdictions outside of Canada and the United States, in each case in accordance with applicable laws. Canaccord Genuity Corp, acted as underwriter in the offering.

Convertible Debt

On July 7, 2020, Columbia Care closed an offering of convertible debt with a conversion price of C$3.79 per share in a principal amount of $3,960,000. On June 19, 2020, Columbia Care closed an offering of convertible debt with a conversion price of C$3.79 per share in a principal amount of $12,800,000. On July 31, 2020, Columbia Care closed an offering of convertible debt with a conversion price of C$3.79 per share in a principal amount of $2,000,000.

Acquisitions

During the year ended December 31, 2019, Columbia Care issued 683,363 Common Shares in connection with acquisitions. During the year ended December 31, 2020, Columbia Care issued 55,975,602 Common Shares in connection with acquisitions. During the nine months ended September 30, 2021, Columbia Care issued 56,127,512 Common Shares in connection with acquisitions.

The Company relied on Section 4(a)(2) of the Securities Act or Rule 506(b) as the Common Shares were sold to a limited number of accredited investors in connection with each acquisition.

Long Term Incentive Plan

During the year ended December 31, 2019, Columbia Care issued 224,499 restricted shares pursuant to its LTIP. During the year ended December 31, 2020, Columbia Care issued 1,852,064 restricted shares pursuant to its LTIP. In 2021, Columbia Care issued 3,097,511 restricted shares pursuant to its LTIP.

The Company relied on Rule 701 of the Securities Act to issue securities to its employees, consultants, officers and directors pursuant to the LTIP.

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

Description of the Company's Securities

The authorized share capital of Columbia Care consists of (i) an unlimited number of Common Shares of which 282,438,046 Common Shares are issued and outstanding as of March 26, 2021; (ii) an unlimited number of Proportionate Voting Shares, of which 172,631.04 are issued and outstanding as of March 26, 2021; and (iii) an unlimited number of preferred shares (the "**Preferred Shares**"), issuable in series, none of which are issued and outstanding. All Proportionate Voting Shares are owned or controlled, directly or indirectly, by the former Old Columbia Care members. The Common Shares and Proportionate Voting Shares are collectively referred to as the "**Shares**".

Generally, except as described below, the Common Shares and Proportionate Voting Shares have the same rights, are equal in all respects and are treated by Columbia Care as if they were shares of one class only.

Conversion Rights and Transfers

Issued and outstanding Proportionate Voting Shares, including fractions thereof, may at any time, subject to the FPI Condition (as defined below), at the option of the holder, be converted into Common Shares at a ratio of 100 Common Shares per Proportionate Voting Share with fractional Proportionate Voting Shares convertible into Common Shares at the same ratio. Further, the Board may determine in the future that it is no longer advisable to maintain the Proportionate Voting Shares as a separate class of shares and may cause all of the issued and outstanding Proportionate Voting Shares to be converted into Common Shares at a ratio of 100 Common Shares per Proportionate Voting Share with fractional Proportionate Voting Shares convertible into Common Shares at the same ratio and the Board shall not be entitled to issue any more Proportionate Voting Shares under the Articles thereafter.

The Proportionate Voting Shares are not transferrable without Board approval, except to Permitted Holders (as defined below) and in compliance with U.S. securities laws.

Conversion Conditions

The right of the Proportionate Voting Shares to convert into Common Shares is subject to certain conditions in order to maintain Columbia Care's status as a "foreign private issuer" under U.S. securities laws. Unless otherwise waived by Columbia Care, the right to convert the Proportionate Voting Shares is subject to the condition that the aggregate number of Common Shares and Proportionate Voting Shares (calculated as a single class) held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Securities Exchange Act of 1934, as amended) may not exceed fifty percent (50%) of the aggregate number of Common Shares and Proportionate Voting Shares issued and outstanding after giving effect to such conversions (calculated as a single class) (the "**FPI Condition**").

A holder of Common Shares may at any time, at the option of the holder and with the approval of the Board of Columbia Care, convert such Common Shares into Proportionate Voting Shares on the basis of 100 Common Shares for one Proportionate Voting Share.

No fractional Common Shares will be issued on any conversion of any Proportionate Voting Shares and any fractional Common Shares will be rounded down to the nearest whole number.

For the purposes of the foregoing:

"**Affiliate**" means, with respect to any specified Person, any other Person which directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such specified Person.

"**Permitted Holders**" means (i) the initial holders of Proportionate Voting Shares; and (ii) any Affiliate or Person controlled, directly or indirectly, by one or more of the Persons referred to in clause (i) above.

"**Person**" means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company.

A Person is "**controlled**" by another Person or other Persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; or (ii) in the case of a Person that is not a company or other body corporate, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; and "controls", "controlling" and "under common control with" shall be interpreted accordingly.

Voting Rights

All holders of Shares are entitled to receive notice of any meeting of shareholders of Columbia Care, and to attend and vote at such meetings, except those meetings at which only holders of a specific class or series of shares are entitled to vote. A quorum for the transaction of business at a meeting of shareholders is present if shareholders who, in the aggregate, hold at least 25% of the voting rights attached to the outstanding shares of the Company entitled to vote at the meeting are present in person or represented by proxy.

On all matters upon which holders of Shares are entitled to vote:

- each Common Share is entitled to one vote per Common Share; and
- each Proportionate Voting Share is entitled to 100 votes per Proportionate Voting Share, and each fraction of a Proportionate Voting Share is entitled to the number of votes calculated by multiplying the fraction by 100.

The number of votes represented by fractional Proportionate Voting Shares will be rounded down to the nearest whole number. Unless a different majority is required by law or the Articles, resolutions to be approved by holders of Shares require approval by a simple majority of the total number of votes of all Shares cast at a meeting of shareholders at which a quorum is present based on the voting entitlements of each class of Shares described above.

Dividend Rights

Holders of Shares are entitled to receive dividends out of the assets available for the payment or distribution of dividends at such times and in such amount and form as the Board may from time to time determine, subject to any preferential rights of the holders of any outstanding Preferred Shares, on the following basis, and otherwise without preference or distinction among or between the Shares: each Proportionate Voting Share will be entitled to 100 times the amount paid or distributed per Common Share (including by way of share dividends, which holders of Proportionate Voting Shares will receive in Proportionate Voting Shares, unless otherwise determined by the Board) and each fraction of a Proportionate Voting Share will be entitled to the applicable fraction thereof. See "Conversion Rights and Transfers" above.

Liquidation Rights

In the event of the liquidation, dissolution or winding-up of Columbia Care, whether voluntary or involuntary, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, the holders of Shares will be entitled to receive all of Columbia Care's assets remaining after payment of all debts and other liabilities, subject to any preferential rights of the holders of any outstanding Preferred Shares, on the basis that each Proportionate Voting Share will be entitled to 100 times the amount distributed per Common Share (and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount otherwise payable in respect of a whole Proportionate Voting Share), and otherwise without preference or distinction among or between the Shares. See "Conversion Rights and Transfers" above.

Pre-emptive and Redemption Rights

Holders of Shares will not have any pre-emptive or redemption rights.

Subdivision or Consolidation

No subdivision or consolidation of any class of Shares may be carried out unless, at the same time, the Common Shares and Proportionate Voting Shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis, so as to preserve the relative rights of the holders of each class of Shares.

Certain Amendments

In addition to any other voting right or power to which the holders of Common Shares and Proportionate Voting Shares shall be entitled by law or regulation or other provisions of the Articles from time to time in effect, but subject to the provisions of the Articles, holders of Common Shares and Proportionate Voting Shares shall each be entitled to vote separately as a class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment of the Company's Articles which would prejudice or interfere with the rights or special rights attached to the Common Shares or Proportionate Voting Shares, or which would affect the rights or special rights of the holders of the Common Shares and the holders of Proportionate Voting Shares differently, on a per share basis.

Issuance of Additional Proportionate Voting Shares

Columbia Care may issue additional Proportionate Voting Shares upon the approval of the Board. Shareholder approval is not required in connection with a subdivision or consolidation on a pro rata basis as between the Common Shares and the Proportionate Voting Shares.

Take-Over Bid Protection

If an offer is being made for Proportionate Voting Shares (a "**PVS Offer**") where: (i) by reason of applicable securities legislation or stock exchange requirements, the offer must be made to all holders of the class of Proportionate Voting Shares; and (ii) no equivalent offer is made for the Common Shares, the holders of Common Shares have the right, pursuant to the Articles, at their option, to convert their Common Shares into Proportionate Voting Shares for the purpose of allowing the holders of the Common Shares to tender to such PVS Offer, provided that such conversion into Proportionate Voting Shares will be solely for the purpose of tendering the Proportionate Voting Shares to the PVS Offer in question and that any Proportionate Voting Shares that are tendered to the PVS Offer but that are not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

Compliance Provisions

Columbia Care's Articles contain certain provisions (the "**Compliance Provisions**"), including a combination of certain remedies such as a suspension of voting and/or dividend rights, a discretionary right to force a share transfer to a third party and/or a discretionary redemption right in favour of Columbia Care, in each case to seek to ensure that Columbia Care and its subsidiaries are able to comply with applicable regulatory and licensing regulations. The purpose of the Compliance Provisions is to provide Columbia Care with a means of protecting itself from having a shareholder, or as determined by the Board, a group of shareholders acting jointly or in concert, with an ownership interest of, whether of record or beneficially (or having the power to exercise control or direction over) ("**Owning or Controlling**"), five percent (5%) or more of the issued and outstanding shares of Columbia Care, or such other number as is determined by the Board from time to time, and: (i) who a governmental authority granting licenses to, or otherwise governing the operations of, Columbia Care or its subsidiaries has determined to be unsuitable to own Common Shares and/or Proportionate Voting Shares, as applicable; (ii) whose ownership of Common Shares and/or Proportionate Voting Shares, as applicable, may result in the loss, suspension or revocation (or similar action) with respect to any licenses or permits relating to Columbia Care's or its subsidiaries' conduct of business (being the conduct of any activities relating to the cultivation, manufacturing and dispensing of cannabis and cannabis-derived products in the United States, which include the owning and operating of cannabis licenses) or in Columbia Care or any of its affiliates being unable to obtain any new licenses or permits in the normal course, all as determined by the Board; or (iii) who have not been determined by the applicable regulatory authority to be an acceptable person or otherwise have not received the requisite consent of such regulatory authority to own the Common Shares and/or Proportionate Voting Shares, as applicable, in each case within a reasonable time period acceptable to the Board or prior to acquiring any Common Shares and/or Proportionate Voting Shares, as applicable (in each case, an "**Unsuitable Person**"). The ownership restrictions in Columbia Care's notice of articles and articles are also subject to an exemption for applicable depositaries and clearing houses as well as underwriters (as defined in the Securities Act (Ontario)) in the course of a distribution of securities of Columbia Care.

Notwithstanding the foregoing, the Compliance Provisions provide that any shareholder (or group of shareholders acting jointly or in concert) proposing to Own or Control five percent (5%) or more of the issued and outstanding shares of Columbia Care (or such other number as is determined by the Board from time to time) will be required to provide not less than 30 days' advance written notice to Columbia Care by mail sent to Columbia Care's head office to the attention of the Corporate Secretary and to obtain all necessary regulatory approvals. Upon any such shareholder(s) Owning or Controlling five percent (5%) or more of the issued and outstanding shares of Columbia Care (or such other number as is determined by the Board from time to time), and having not received the requisite approval of any applicable regulatory authority to own the Common Shares and/or Proportionate Voting Shares, as applicable, the Compliance Provisions provide: (i) that such shareholder(s) may, in the discretion of the Board, be prohibited from exercising any voting rights and/or receiving any dividends from Columbia Care, unless and until all requisite regulatory approvals are obtained; and (ii) Columbia Care with a right, but not the obligation, at its option, upon notice to the Unsuitable Person, to: (A) redeem any or all Common Shares and/or Proportionate Voting Shares, as applicable, directly or indirectly held by an Unsuitable Person; and/or (B) forcibly transfer any or all Common Shares and/or Proportionate Voting Shares, as applicable, directly or indirectly held by an Unsuitable Person to a third party. Such rights are required in order for Columbia Care to comply with regulations in various jurisdictions where Columbia Care or its subsidiaries conduct business or are expected to conduct business. The foregoing restrictions will not apply to the ownership, acquisition or disposition of Common Shares and/or Proportionate Voting Shares, as applicable, as a result of: (i) transfer of Common Shares and/or Proportionate Voting Shares, as applicable, occurring by operation of law including, *inter alia*, the transfer of Common Shares and/or Proportionate Voting Shares, as applicable, to a trustee in bankruptcy, (ii) an acquisition or proposed acquisition by one or more underwriters who hold Common Shares and/or Proportionate Voting Shares, as applicable, for the purposes of distribution to the public or for the benefit of a third party provided that such third party is in compliance with the foregoing restriction, or (iii) conversion, exchange or exercise of securities issued by Columbia Care or a subsidiary into or for Common Shares and/or Proportionate Voting Shares, as applicable, in accordance with their respective terms. If the Board reasonably believes that any such holder of the Common Shares may have failed to comply with the foregoing restrictions, Columbia Care may apply to the Supreme Court of British Columbia, or any other court of competent jurisdiction, for an order directing that such shareholder disclose the number of Common Shares and/or Proportionate Voting Shares, as applicable, directly or indirectly held.

Upon receipt by the holder of a notice to redeem or to transfer any or all of its Common Shares and/or Proportionate Voting Shares, the holder will be entitled to receive, as consideration therefor, no less than 95% of the lesser of: (i) the closing price of the Common Shares on the NEO Exchange Inc. (the "**NEO Exchange**") (or the then principal exchange on which Columbia Care's securities are listed or quoted for trading) on the trading day immediately prior to the closing of the redemption or transfer (or the average of the last bid and last asking prices if there was no trading on the specified date); and (ii) the five-day volume weighted average price of the Common Shares on the NEO Exchange (or the then principal exchange on which Columbia Care's securities are listed or quoted for trading) for the five trading days immediately prior to the closing of the redemption or transfer (or the average of the last bid and last asking prices if there was no trading on the specified dates).

Notwithstanding the adoption of the proposed Compliance Provisions, Columbia Care may not be able to exercise such rights in full or at all, including its redemption rights. Under the BCBCA, a corporation may not make any payment to redeem shares if there are reasonable grounds for believing that the company is unable to pay its liabilities as they become due in the ordinary course of its business or if making the payment of the redemption price or providing the consideration would cause the company to be unable to pay its liabilities as they become due in the ordinary course of its business. Furthermore, Columbia Care may become subject to contractual restrictions on its ability to redeem its Common Shares and/or Proportionate Voting Shares, as applicable, by, for example, entering into a secured credit facility subject to such restrictions. In the event that restrictions prohibit Columbia Care from exercising its redemption rights in part or in full, Columbia Care will not be able to exercise its redemption rights absent a waiver of such restrictions, which Columbia Care may not be able to obtain on acceptable terms or at all.

Preferred Shares

The Preferred Shares may at any time and from time to time be issued in one or more series. Subject to the provisions of the BCBCA and the Articles, the Board may, by resolution, from time to time before the issue thereof determine the maximum number of shares of each series, create an identifying name for each series, attach special rights or restrictions to the Preferred Shares of each series including, without limitation, any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms or conditions of redemption or purchase, any conversion rights, any retraction rights, any rights upon liquidation, dissolution or winding up and any sinking fund or other provisions, the whole to be subject to filing a Notice of Alteration to the Notice of Articles to create the series and altering the Articles to include the special rights or restrictions attached to the Preferred Shares of the series.

Preferred Shares of each series, if and when issued, will, with respect to the payment of dividends, rank *pari passu* with the Preferred Shares of every other series and be entitled to preference over the Common Shares, the Proportionate Voting Shares and any other shares of Columbia Care ranking junior to the Preferred Shares with respect to payment of dividends.

In the event of the liquidation, dissolution or winding up of Columbia Care, whether voluntary or involuntary, the holders of Preferred Shares will be entitled to preference with respect to distribution of the property or assets of Columbia Care over the Common Shares, the Proportionate Voting Shares and any other shares of Columbia Care ranking junior to the Preferred Shares with respect to the repayment of capital paid up on and the payment of unpaid dividends accrued on the Preferred Shares.

Advance Notice Provisions

Columbia Care's Articles includes certain advance notice provisions with respect to the election of its directors (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of director nominations to the Board and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide Columbia Care notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of shareholders (including an annual and special meeting), not fewer than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date (the "Notice Date") of the annual meeting of shareholders is less than 50 days before the meeting date, not later than the close of business on the 15th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not fewer than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

Forum Selection

Columbia Care's Articles includes a forum selection provision that provides that, unless Columbia Care consents in writing to the selection of an alternative forum, the Supreme Court of British Columbia, Canada and the appellate courts therefrom, will be the sole and exclusive forum for (i) any derivative action or proceeding brought on Columbia Care's behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of Columbia Care's directors, officers or other employees to Columbia Care; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the BCBCA or the Articles; or (iv) any action or proceeding asserting a claim otherwise related to the relationships among Columbia Care, its Affiliates and their respective shareholders, directors and/or officers, but excluding claims related to Columbia Care's business or the business carried on by such Affiliates. The forum selection provision also provides that Columbia Care's securityholders are deemed to have consented to the personal jurisdiction of the courts in the Province of British Columbia and to service of process on their counsel in any foreign action initiated in violation of the foregoing provisions. The forum selection could apply to claims brought under the United States federal securities laws.

CGGC Warrants

As of the date hereof, 5,394,945 warrants (the "**CGGC Warrants**") issued pursuant to the warrant agency agreement (the "**Warrant Agreement**") between CGGC and Odyssey Trust Company, as warrant agent, dated September 20, 2018 are outstanding. The CGGC Warrants were issued as part of the initial public offering of the Company. The CGGC Warrants are governed by the terms of the Warrant Agreement. Three CGGC Warrants are exercisable for one Common Share at an exercise price of $10.35.

Columbia Care Warrants

The chart below sets out the issued and outstanding common share purchase warrants ("**Columbia Care Warrants**") of Columbia Care.

Expiration	Number of Shares Issued and Exercisable	Exercise Price (Canadian Dollars)
October 1, 2025	648,783	$ 8.12
April 26, 2024	5,394,945	10.35
May 14, 2023	1,998,788	2.95
May 14, 2023	1,723,250	3.10
May 14, 2023	300,000	4.53
May 14, 2023	1,897,000	5.84
	11,962,766	

Options

Columbia Care has 55,384 outstanding common share purchase options (the "**Options**"), of which 27,692 are vested. All Options have an exercise price of $10.90. Each of the Options is exercisable at any time prior to its expiry. The Options expire on the earlier of (i) the second anniversary of issuance, or (ii) the consummation of a sale of Columbia Care, subject to a 12-month extension option in favor of Columbia Care.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company is subject to the provisions of Part 5, Division 5 of the BCBCA.

Under Section 160 of the BCBCA, we may, subject to Section 163 of the BCBCA:

(a) indemnify an individual who:

(i) is or was a director or officer of our company,

(ii) is or was a director or officer of another corporation (A) at a time when such corporation is or was an affiliate of our company; or (B) at our request, or

(iii) at our request, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture or other unincorporated entity,

including, subject to certain limited exceptions, the heirs and personal or other legal representatives of that individual (collectively, an "eligible party"), against all eligible penalties, defined below, to which the eligible party is or may be liable; and

(b) after final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding, where:

(i) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding,

(ii) "eligible proceeding" means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, our company or an associated corporation (A) is or may be joined as a party, or (B) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding,

(iii) "expenses" includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding, and

(iv) "proceeding" includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

Under Section 161 of the BCBCA, and subject to Section 163 of the BCBCA, we must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding if the eligible party (a) has not been reimbursed for those expenses and (b) is wholly successful, on the merits or otherwise, in the outcome of the proceeding or is substantially successful on the merits in the outcome of the proceeding.

Under Section 162 of the BCBCA, and subject to Section 163 of the BCBCA, we may pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of the proceeding, provided that we must not make such payments unless we first receive from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited under Section 163 of the BCBCA, the eligible party will repay the amounts advanced.

Under Section 163 of the BCBCA, we must not indemnify an eligible party against eligible penalties to which the eligible party is or may be liable or pay the expenses of an eligible party in respect of that proceeding under Sections 160, 161 or 162 of the BCBCA, as the case may be, if any of the following circumstances apply:

(a) if the indemnity or payment is made under an earlier agreement to indemnify or pay expenses and, at the time that the agreement to indemnify or pay expenses was made, we were prohibited from giving the indemnity or paying the expenses by our Articles;

(b) if the indemnity or payment is made otherwise than under an earlier agreement to indemnify or pay expenses and, at the time that the indemnity or payment is made, we are prohibited from giving the indemnity or paying the expenses by our Articles;

(c) if, in relation to the subject matter of the eligible proceeding, the eligible party did not act honestly and in good faith with a view to the best interests of our company or the associated corporation, as the case may be; or

(d) in the case of an eligible proceeding other than a civil proceeding, if the eligible party did not have reasonable grounds for believing that the eligible party's conduct in respect of which the proceeding was brought was lawful.

If an eligible proceeding is brought against an eligible party by or on behalf of our company or by or on behalf of an associated corporation, we must not either indemnify the eligible party under Section 160(a) of the BCBCA against eligible penalties to which the eligible party is or may be liable, or pay the expenses of the eligible party under Sections 160(b), 161 or 162 of the BCBCA, as the case may be, in respect of the proceeding.

Under Section 164 of the BCBCA, and despite any other provision of Part 5, Division 5 of the BCBCA and whether or not payment of expenses or indemnification has been sought, authorized or declined under Part 5, Division 5 of the BCBCA, on application of our company or an eligible party, the court may do one or more of the following:

(a) order us to indemnify an eligible party against any liability incurred by the eligible party in respect of an eligible proceeding;

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

(c) order the enforcement of, or any payment under, an agreement of indemnification entered into by us;

(d) order us to pay some or all of the expenses actually and reasonably incurred by any person in obtaining an order under Section 164 of the BCBCA; or

(e) make any other order the court considers appropriate.

Section 165 of the BCBCA provides that we may purchase and maintain insurance for the benefit of an eligible party or the heirs and personal or other legal representatives of the eligible party against any liability that may be incurred by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, our company or an associated corporation.

Under Article 20.2 of our Articles, and subject to the BCBCA, we must indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and we must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding to the fullest extent permitted by the BCBCA. Each of our directors and officers is deemed to have contracted with the Company on the terms of the indemnity contained in Article 20.2 of our Articles.

Under Article 20.4 of our Articles, and subject to any restrictions in the BCBCA, we may indemnify any person.

We have entered into indemnification agreements with each of our directors and executive officers. Under these indemnification agreements, each director and executive officer is entitled, subject to the terms and conditions thereof, to the right of indemnification and contribution for certain expenses to the fullest extent permitted by applicable law. We believe that these indemnification agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

Pursuant to Article 20.5 of our Articles, the failure of a director or officer of the Company to comply with the BCBCA or our Articles does not invalidate any indemnity to which he or she is entitled under our Articles.

Under Article 20.6 of our Articles, we may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who: (1) is or was a director, officer, employee or agent of the Company; (2) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company; (3) at the request of the Company, is or was a director, , officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity; or (4) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity, against any liability incurred by him or her by reason of having been a director, officer, employee or agent or person who holds or held such equivalent position.

We have an insurance policy covering our directors and officers, within the limits and subject to the limitations of the policy, with respect to certain liabilities arising out of claims based on acts or omissions in their capacities as directors or officers.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

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

None.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS

(a) Columbia Care Inc. Consolidated Financial Statements as of December 31, 2020, 2019 and 2018

(b) Columbia Care Inc. Condensed Consolidated Financial Statements as of and for the three and nine months ended September 30, 2021 and 2020

(c) TGS Global LLC Combined Financial Statements as of December 31, 2019 and 2018

(d) TGS Global LLC Unaudited Combined Financial Statements as of June 30, 2020 and for the six-month period ended June 30, 2020

(e) Columbia Care Inc. and TGS Global LLC Unaudited Pro Forma Condensed Combined Financial Statements

(f) Green Leaf Medical, LLC Consolidated Financial Statements as of and for the years ended December 31, 2020 and 2019

(g) Green Leaf Medical, LLC Consolidated Financial Statements as of and for the three months ended March 31, 2021

(h) Columbia Care Inc. and Green Leaf Medical, LLC Unaudited Pro Forma Condensed Combined Financial Statements

(e) **Exhibits**: The exhibits listed in the Exhibit Index below are filed as part of this registration statement.

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
2.1	Transaction Agreement dated November 21, 2018 between Canaccord Genuity Growth Corp. and Columbia Care Inc.
2.2*	Agreement and Plan of Merger dated December 21, 2020 among Columbia Care Inc., Columbia Care LLC, Vici Acquisition LLC, Vici Acquisition II LLC, Green Leaf Medical, LLC and Shareholder Representative Services LLC
3.1	Articles of Columbia Care Inc.
4.1	Warrant Agency Agreement dated September 20, 2018 between Canaccord Genuity Growth Corp. and Odyssey Trust Company
4.2	Warrant Agreement dated April 26, 2019 between Columbia Care Inc. and Canaccord Genuity Corp.
4.3	Trust Indenture made as of March 31, 2020 between Columbia Care Inc. and Odyssey Trust Company
4.4	Warrant Indenture dated March 31, 2020 between Columbia Care Inc. and Odyssey Trust Company
4.5	Trust Indenture made as of May 14, 2020 between Columbia Care Inc. and Odyssey Trust Company
4.6	Warrant Indenture dated May 14, 2020 between Columbia Care Inc. and Odyssey Trust Company
4.7	First Supplemental Indentures dated as of June 19, 2020 between Columbia Care Inc and Odyssey Trust Company
4.8	Warrant Indenture dated July 2, 2020 between Columbia Care Inc. and Odyssey Trust Company
4.9	Warrant Indenture dated October 29, 2020 between Columbia Care Inc. and Odyssey Trust Company
10.1	Lease Agreement dated December 1, 2013 between Pagson, LLC and Patriot Care Corporation
10.2	Lease Agreement dated April 30, 2015 between Eastman Kodak Company and Columbia Care NY, LLC
10.3	Lease Agreement dated April 10, 2019 between MM Downtown Facility, LLC and PHC Facilities, Inc.
10.4	Lease Agreement dated December 23, 2019 between NLCP 156 Lincoln MA, LLC and Patriot Care Corp.
10.5	First Amendment to Lease dated December 2, 2020 between PHC Facilities, Inc. and MM Downtown Facility, LLC

* To be filed by amendment.

SIGNATURES

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

COLUMBIA CARE INC.

/s/ Nicholas Vita
By: Nicholas Vita
Title: Chief Executive Officer

Date: December 14, 2021

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

DAVIDSON & COMPANY LLP — Chartered Professional Accountants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
Columbia Care Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Columbia Care Inc. and its subsidiaries (together, the "Company"), as of December 31, 2020 and 2019, and the related consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the years ended December 31, 2020, December 31, 2019, and December 29, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Columbia Care Inc. as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years ended December 31, 2020, December 31, 2019, and December 29, 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

We have served as the Company's auditor since 2019.

/s/ DAVIDSON & COMPANY LLP

Vancouver, Canada — Chartered Professional Accountants

December 14, 2021

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COLUMBIA CARE INC.
CONSOLIDATED BALANCE SHEETS
(expressed in thousands of U.S. dollars, except share data)

	As of December 31, 2020	As of December 31, 2019
Assets		
Current assets:		
Cash	$ 61,111	$ 47,464
Accounts receivable, net of allowances of $2,053 and $54, respectively	7,415	1,039
Inventory	54,804	26,075
Prepaid expenses	6,797	8,484
Assets held for sale	3,483	—
Other current assets	4,633	1,957
Total current assets	138,243	85,019
Property and equipment, net	114,400	104,034
Right of use assets - operating leases, net	143,050	82,438
Right of use assets - finance leases, net	50,105	—
Restricted cash	10,858	11,483
Long-term deposits	9,271	6,458
Goodwill	137,759	—
Intangible assets, net	100,342	15,695
Notes receivable	15,832	29,717
Other non-current assets	7,667	1,379
Total assets	$ 727,527	$ 336,223
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 18,466	$ 20,082
Accrued expenses and other current liabilities	45,246	9,117
Contingent consideration	48,202	—
Current portion of lease liability - operating leases	7,913	6,185
Current portion of lease liability - finance leases	2,023	—
Current portion of long-term debt, net	8,439	—
Derivative liability	17,109	—
Liabilities held for sale	1,483	—
Total current liabilities	148,881	35,384
Long-term debt, net	76,090	—
Deferred taxes	2,347	—
Long-term lease liability - operating leases	138,256	77,458
Long-term lease liability - finance leases	62,486	—
Other long-term liabilities	12,518	5,798
Total liabilities	440,578	118,640
Stockholders' Equity:		
Common Stock, no par value, unlimited shares authorized as of December 31, 2020 and 2019, respectively; 250,003,917 and 117,176,201 shares issued and outstanding as of December 31, 2020 and 2019, respectively	—	—
Preferred Stock, no par value, unlimited shares authorized as of December 31, 2020 and 2019, respectively; none issued and outstanding as of December 31, 2020 and 2019, respectively	—	—
Common Stock Warrants, 13,147,919 and 20,055,424 warrants outstanding and exercisable as of December 31, 2020 and 2019, respectively	—	—
Proportionate Voting Shares, no par value, unlimited Proportionate Voting Shares authorized as of December 31, 2020 and 2019, respectively; 26,507,914 and 99,352,980 Proportionate Voting Shares issued and outstanding as of December 31, 2020 and 2019, respectively	—	—
Additional paid-in-capital	632,062	429,475
Accumulated deficit	(325,238)	(209,389)
Equity attributable to Columbia Care Inc.	306,824	220,086
Non-controlling interest	(19,875)	(2,503)
Total equity	286,949	217,583
Total liabilities and equity	$ 727,527	$ 336,223

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

COLUMBIA CARE INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(expressed in thousands of U.S. dollars, except for number of shares and per share amounts)

	Year Ended		
	December 31, 2020	December 31, 2019	December 29, 2018
Revenues, net of discounts	$ 179,503	$ 77,459	39,328
Cost of sales related to inventory production	(114,249)	(57,777)	(22,874)
Cost of sales related to business combination fair value adjustments to inventories	(3,111)	—	—
Gross profit	62,143	19,682	16,454
Operating expenses:			
Selling, general and administrative	142,355	123,586	58,495
Total operating expenses	(142,355)	(123,586)	(58,495)
Loss from operations	(80,212)	(103,904)	(42,041)
Other expense:			
Change in fair value of derivative liability	(11,745)	—	—
Interest (expense) income, net	(6,336)	1,241	(7,824)
Other (expense) income, net	(37,553)	2,992	4,533
Total other expense (income)	(55,634)	4,233	(3,291)
Loss before provision for income taxes	(135,846)	(99,671)	(45,332)
Income tax benefit (expense)	16,197	(1,503)	(2,943)
Net loss and comprehensive loss	(119,649)	(101,174)	(48,275)
Net loss attributable to non-controlling interests	(23,862)	(4,909)	(1,255)
Net loss attributable to shareholders	$ (95,787)	$ (96,265)	$ (47,020)
Weighted-average number of shares used in earnings per share - basic and diluted	232,576,117	209,992,187	167,599,871
Earnings attributable to shares (basic and diluted)	$ (0.41)	$ (0.46)	$ (0.28)

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

COLUMBIA CARE INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(expressed in thousands of U.S. dollars, except for number of units, shares and warrants)

	Units	Shares	Common Stock Warrants	Additional Paid-in Capital	Accumulated Deficit	Total Columbia Care Inc. Shareholders' Equity	Non-Controlling Interest	Total Equity
Balance as of December 30, 2017	**12,232,152**	**—**	**—**	**85,879**	**$ (61,883)**	**$ 23,996**	**$ (3,431)**	**$ 20,565**
Debt conversion and settlement	227,338	—	—	16,986	—	16,986	—	16,986
Issuance of shares and warrants in connection with private placement	1,848,320	—	—	148,731	—	148,731	—	148,731
Offering fee in connection with private placement	7,596	—	—	(4,045)	—	(4,045)	—	(4,045)
Warrants issued	121,917	—	—	4,370	—	4,370	—	4,370
Equity-based compensation	—	—	—	13,112	—	13,112	—	13,112
Florida license acquisition	12,413	—	—	1,000	—	1,000	4,871	5,871
Beneficial conversion feature	—	—	—	515	—	515	—	515
Minority buyouts	—	—	—	—	(2,361)	(2,361)	361	(2,000)
Net loss	—	—	—	—	(47,020)	(47,020)	(1,255)	(48,275)
Balance, December 29, 2018	**14,449,736**	**—**	**—**	**266,548**	**$ (111,264)**	**$ 155,284**	**$ 546**	**$ 155,830**
Debt conversion and settlement	27,561	—	—	2,537	—	2,537	—	2,537
Issuance of shares and warrants in connection with reverse takeover transaction	—	19,077,096	5,394,945	120,193	—	120,193	—	120,193
Share issuance costs	—	—	—	(5,598)	—	(5,598)	—	(5,598)
Repurchase of shares	—	(424,047)	—	(2,414)	—	(2,414)	—	(2,414)
Conversion of units and profit interests	(14,639,112)	196,901,118	14,660,479	—	—	—	—	—
Unit issuance costs	2,490	—	—	—	—	—	—	—
Warrants exercised	159,325	—	—	2	—	2	—	2
Cancellation of restricted stock awards	—	(119,995)	—	—	—	—	—	—
Equity-based compensation	—	473,770	—	32,896	—	32,896	—	32,896
Reclass of deferred compensation to equity	—	—	—	15,311	—	15,311	—	15,311
Minority buyouts	—	621,239	—	—	(1,860)	(1,860)	1,860	—
Net loss	—	—	—	—	(96,265)	(96,265)	(4,909)	(101,174)
Balance, December 31, 2019	**—**	**216,529,181**	**20,055,424**	**429,475**	**$ (209,389)**	**$ 220,086**	**$ (2,503)**	**$ 217,583**
Issuance of shares in connection with acquisitions	—	48,936,767	—	147,795	—	147,795	—	147,795
Warrants issued with debt	—	—	6,356,438	6,298	—	6,298	—	6,298
Warrants exercised	—	2,192,298	(4,019,023)	388	—	388	—	388
Warrants expired	—	—	(9,244,920)	—	—	—	—	—
Cancellation of restricted stock awards	—	(37,314)	—	—	—	—	—	—
Equity-based compensation		1,852,064	—	29,805	—	29,805	—	29,805
Sale of membership interests in subsidiary	—	—	—	—	—	—	5,509	5,509
Deconsolidation of subsidiary	—	—	—	—	—	—	220	220
Minority buyouts	—	7,038,835	—	18,301	(20,062)	(1,761)	761	(1,000)
Net loss	—	—	—	—	(95,787)	(95,787)	(23,862)	(119,649)
Balance, December 31, 2020	**—**	**276,511,831**	**13,147,919**	**632,062**	**$ (325,238)**	**$ 306,824**	**$ (19,875)**	**$ 286,949**

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

COLUMBIA CARE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(expressed in thousands of U.S. dollars)

	Year Ended		
	December 31, 2020	December 31, 2019	December 29, 2018
Cash flows from operating activities:			
Net loss	$ (119,649)	$ (101,174)	$ (48,275)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	19,651	8,690	4,678
Equity-based compensation	29,805	32,896	13,112
Impairment on disposal group	1,969	—	—
Deferred compensation	—	5,509	8,650
Debt amortization expense	2,189	18	515
Warrant amortization expense	—	—	5,347
Change in fair value of derivative liability	11,745	—	26
Deferred taxes	(20,998)	28	350
Earnout adjustment	21,757	—	—
Other	3,858	(914)	92
Changes in operating assets and liabilities, net of acquisitions			
Accounts receivable	(4,574)	(177)	(832)
Inventory	(17,258)	(12,667)	(6,609)
Prepaid expenses and other current assets	(2,747)	(5,147)	(40)
Other assets	13,490	5,853	(1,792)
Accounts payable	5,381	3,241	(240)
Accrued expenses and other current liabilities	18,332	(2,530)	(43)
Other long-term liabilities	(12,601)	(673)	294
Net cash used in operating activities	(49,650)	(67,047)	(24,767)
Cash flows from investing activities:			
Proceeds from sale of property	11,927	19,614	131
Purchases of property and equipment	(42,885)	(77,445)	(14,529)
Purchase of investments	—	(446)	—
Issuance of note receivable	—	(17,420)	—
Cash paid for deposits	(5,688)	(6,623)	(2,058)
Cash received from deposits	6,676	3,697	5,936
Cash received from acquisitions	3,821	—	—
Cash for loan under CannAscend and Corsa Verde agreements	(1,173)	(11,511)	(1,002)
Cash paid in escrow and option deposit under Corsa Verde agreement	—	—	(3,124)
Net cash used in investing activities	(27,322)	(90,134)	(14,646)

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

COLUMBIA CARE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(expressed in thousands of U.S. dollars)

	Year Ended		
	December 31, 2020	December 31, 2019	December 29, 2018
Cash flows from financing activities:			
Proceeds from issuance of debt and warrants	89,379	—	9,440
Payment of debt issuance costs	(3,548)	—	—
Repayment of debt	—	(1,795)	(25,779)
Proceeds from sale leaseback	—	5,709	—
Payment of lease liabilities	(734)	—	—
Issuance of common shares in connection with reverse takeover	—	114,595	—
Proceeds from issuance of common units and warrants	—	42,764	105,967
Issuance of common shares and warrants costs	—	—	(4,045)
Repurchase of common shares	—	(2,414)	—
Exercise of warrants	388	2	—
Sale of membership interests of subsidiary	5,509	—	—
Purchase of minority interest	(1,000)	—	(2,200)
Net cash provided by financing activities	89,994	158,861	83,383
Net increase in cash	13,022	1,680	43,970
Cash and restricted cash at beginning of the year	58,947	57,267	13,297
Cash and restricted cash at end of year	$ 71,969	$ 58,947	$ 57,267
Supplemental disclosure of cash flow information:			
Cash paid for interest on lease obligations	$ 1,466	$ —	$ —
Cash paid for interest on other obligations	$ 5,356	$ 147	$ 1,857
Cash paid for income taxes	$ 7,694	$ 2,534	$ 5,267
Reconciliation of cash and cash equivalents and restricted cash:			
Cash and cash equivalents	$ 61,111	$ 47,464	$ 46,241
Restricted cash	10,858	11,483	11,026
Cash and cash equivalents and restricted cash, end of period	$ 71,969	$ 58,947	$ 57,267
Supplemental disclosure of non-cash investing and financing activities:			
Non-cash fixed asset additions within accounts payable and accrued expenses	$ 13,084	$ 14,797	$ 2,391
Issuance of warrants	$ 6,298	$ —	$ 4,370
Derivative liability on convertible debt	$ 5,364	$ —	$ —
Shares issued in connection with acquisition	$ 147,795	$ —	$ —
Shares issued in connection with license acquisition	$ —	$ —	$ 5,871
Shares issued in connection with private placement	$ —	$ —	$ 42,764
Note payable, net of discount, issued in connection with acquisition	$ 8,170	$ —	$ —
Contingent consideration incurred in connection with acquisition	$ 26,445	$ —	$ —
Intercompany note receivable with TGS assumed in connection with acquisition	$ 16,855	$ —	$ —
Investment in intangible asset	$ —	$ —	$ 16,236
Deconsolidation of subsidiary	$ 220	$ —	$ —
Reclass of deferred compensation to equity	$ —	$ 15,311	$ —
Conversion of convertible debt and accrued interest to equity	$ —	$ 2,537	$ 16,986

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

COLUMBIA CARE INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 AND DECEMBER 29, 2018
(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

1. OPERATIONS OF THE COMPANY

Columbia Care Inc. ("the Company" or "the Parent"), formerly known as Canaccord Genuity Growth Corp. ("CGGC"), was incorporated under the laws of the Province of Ontario on August 13, 2018. The Company's principal mission is to improve lives by providing cannabis-based health and wellness solutions and derivative products to qualified patients and consumers. The Company's head office and principal address is 680 Fifth Ave. 24th Floor, New York, New York 10019. The Company's registered and records office address is 666 Burrard St #1700, Vancouver, British Columbia V6C 2X8.

On April 26, 2019, the Company completed a reverse takeover ("RTO") transaction and private placement further described in Note 3. Following the RTO, the Company's common shares were listed on the Aequitas NEO exchange, trading under the symbol "CCHW". As of the time of this report, the Company's common shares are also listed on the Canadian Securities Exchange under the symbol "CCHW", the OTCQX Best Market under the symbol "CCHWF" and on the Frankfurt Stock Exchange under the symbol "3LP".

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The outbreak of this contagious disease, along with the related adverse public health developments, have negatively affected workforces, economies and financial markets on a global scale. The Company incurred lower revenues, and additional expenditures related to COVID-19 during the first half of 2020. During the first half of 2020, the Company's operations in Massachusetts were affected by a temporary shutdown of adult-use operations and in Illinois and California by rules related to social distancing and limiting the Company's retail operations to curb-side pick-up. The Company's operating results were not materially impacted during the second half of 2020. Currently, the Company is closely monitoring the impact of the pandemic on all aspects of its business, and it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations.

The Company is subject to risks common in the life sciences and consumer products industries including, but not limited to, compliance with government regulations, regulatory approvals, competitive markets, new technological innovations, protection of proprietary technology, dependence on key personnel, uncertainty of market acceptance and the need to obtain additional financing.

While cannabis and CBD-infused products are legal under the laws of several U.S. states (with varying restrictions applicable), the United States Federal Controlled Substances Act classifies all "marijuana" as a Schedule I drug, whether for medical or recreational use. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for use under medical supervision.

In recent years, a temporary federal legislative enactment that prohibits the Department of Justice from expending appropriated funds to enforce federal laws that interfere with a state's implementation of its own medical marijuana laws has been included in multiple Appropriations laws passed by Congress. This so-called budget rider is known as the Rohrbacher-Farr Amendment after its original sponsors. The Rohrbacher-Farr Amendment has been included in successive appropriations legislation or resolutions since 2015. The Rohrbacher-Farr Amendment was extended most recently in the Omnibus Appropriations Act of 2021, which funds the agencies of the federal government through February 18, 2022. Notably, the Rohrbacher-Farr Amendment has applied only to medical marijuana programs and has not provided the same protections to enforcement against adult-use activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") as of December 31, 2020 and 2019 and for the years ended December 31, 2020, December 31, 2019, and December 29, 2018.

Beginning with its 2019 fiscal year, the Company changed its financial reporting cycle from a 4-4-5 week reporting cycle that ends on the Saturday nearest to December 31 to a calendar reporting cycle. Accordingly, the Company's 2019 fiscal year began on December 29, 2018 and ended on December 31, 2019.

Significant Accounting Judgments, Estimates and Assumptions

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

Basis of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, its partially-owned subsidiaries, and those controlled by the Company by virtue of agreements, on a consolidated basis after elimination of intercompany transactions and balances. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee, and when the Company has the ability to affect those returns through its power over the investee. The financial statements of entities controlled by the Company by virtue of agreements are fully consolidated from the date that control commences and deconsolidated from the date control ceases.

Investment in affiliates

Affiliates are entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in affiliates are accounted for using the equity method and are initially recognized at cost. Unrealized gains on transactions between the Company and its affiliates are eliminated to the extent of the Company's interest in the affiliates. Accounting policies of affiliates have been adjusted where necessary to ensure consistency with the policies adopted by the Company. Dilution gains and losses arising in investments in affiliates are recognized in the consolidated statements of operations. Investments in affiliates are recorded in non-current assets on the consolidated balance sheets.

The Company's investment in Leafy Greens is accounted for as an equity method investment in an affiliate after the Company lost control during the year ended December 31, 2020. Income from affiliates is immaterial for the period presented.

The Company assesses annually whether there is any objective evidence that its interest in associates is impaired. If impaired, the carrying value of the Company's share of the underlying assets of associates is written down to its estimated recoverable amount (being the higher of fair value less costs of disposal, or value in use) and charged to the consolidated statement of operations. If the financial statements of an associate are prepared on a date different from that used by the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the date of these consolidated financial statements.

Non-controlling Interests

Non-controlling interests ("NCI") represent equity interests owned by outside parties. NCI may be initially measured at fair value or at the NCI's proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. The Company elected to measure each NCI at its proportionate share of the recognized amounts of the acquiree's identifiable net assets. The share of net assets attributable to NCI are presented as a component of equity. Their share of net income or loss and comprehensive income or loss is recognized directly in equity. Total comprehensive income or loss of subsidiaries is attributed to the shareholders of the Company and to the NCI, even if this results in the NCI having a deficit balance. The non-controlling interest balance for the years ended December 31, 2020 and December 31, 2019 were $19,875 and $2,503 respectively.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

Other assets

Other assets consist of the following:

	December 31, 2020	December 31, 2019
Interest Receivable	$ 1,000	$ 922
Investment in affiliates	1,446	446
Indemnification receivable	5,221	—
Deferred tax	—	11
Other non-current assets	$ 7,667	$ 1,379

Segment, geographic areas and customers information

The Company has determined that it operates in a single operating and reportable segment, the production and sale of cannabis. This is consistent with how the chief operating decision maker allocates resources and assesses performance. The Company's products have similar characteristics due to the same raw material ingredient (cannabis), similar nature of cultivation process, the type or class of customer and the regulatory nature of our industry. Revenues from transactions with no single external customer exceed 10% of the consolidated revenues.

Revenue earned outside of the United States of America is immaterial for the years ended December 31, 2020 and 2019 and December 29, 2018. Long-lived assets located outside of the United States of America are immaterial as on December 31, 2020 and 2019.

Functional currency

The Canadian dollar serves as the functional currency of the Parent. All of the Company's subsidiaries have the U.S. dollar as their functional currency. These consolidated financial statements are presented in U.S. dollars. The translation adjustment that arises as a result of the functional currency of the Parent being different than the subsidiaries is de minimis. Also, transaction gains and losses are not material.

Contingencies

In the normal course of business, the Company is subject to loss contingencies, such as legal proceedings and claims arising out of its business, that cover a wide range of matters, including, among others, product and environmental liability. The Company records accruals for those loss contingencies when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. The Company does not recognize gain contingencies until realized.

Basis of measurement

These consolidated financial statements were prepared on a going concern basis, at historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting principles below. Other measurement bases are described in the applicable notes. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

Business combinations

The Company accounts for business combinations under the acquisition method of accounting, which requires it to recognize separately from goodwill, the assets acquired and the liabilities assumed at fair value as of the acquisition date. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition

date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recognized in the Company's consolidated statements of operations. Accounting for business combinations requires the Company to make significant estimates and assumptions, especially at the acquisition date including estimates for intangible assets, contractual obligations assumed, pre-acquisition contingencies, and contingent consideration, where applicable. Although the Company believes the assumptions and estimates it has made in the past have been reasonable and appropriate, they are based, in part, on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain acquired intangible assets under the income approach include growth in future expected cash flows from product sales, customer contracts, revenue growth rate, customer ramp-up period and discount rates. Unanticipated events and circumstances may occur that could affect the accuracy or validity of such assumptions, estimates or actual results.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and highly liquid investments that are readily convertible into known amounts of cash. As of December 31, 2020 and 2019, the Company did not have any cash equivalents.

Restricted cash

Restricted cash primarily consists of escrow deposits related to our acquisition activity.

Inventory

Inventory is comprised of raw materials, finished goods and work-in-progress such as pre-harvested cannabis plants and by-products to be extracted. The costs of growing cannabis, including but not limited to labor, utilities, nutrition and irrigation, are capitalized into inventory until the time of harvest.

Inventory is stated at the lower of cost or net realizable value, with cost determined using weighted average cost. Cost includes costs directly related to manufacturing and distribution of the products. Primary costs include raw materials, packaging, direct labor, overhead, shipping and the depreciation of manufacturing equipment and production facilities determined at normal capacity. Manufacturing overhead and related expenses include salaries, wages, employee benefits, utilities, maintenance and property taxes.

Net realizable value is determined as the estimated average selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. At the end of each reporting period, the Company performs an assessment of inventory obsolescence and to measure inventory at the lower of cost or net realizable value. Factors considered in the determination of obsolescence include slow-moving or non-marketable items.

Assets and liabilities held for sale

The Company classifies its long-lived assets and related liabilities to be sold as held for sale in the period (i) it has approved and committed to a plan to sell the asset, (ii) the asset is available for immediate sale in its present condition, (iii) an active program to locate a buyer and other actions required to sell the asset have been initiated, (iv) the sale of the asset is probable, (v) the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value, and (vi) it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. The Company initially measures a long-lived asset that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a long-lived asset until the date of sale. Upon designation as an asset held for sale, the Company no longer records depreciation expense on the asset. The Company assesses the fair value of a long-lived asset less any costs to sell at each reporting period and until the asset is no longer classified as held for sale.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and impairment losses, if any. Depreciation of property and equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts, considering factors such as economic and market conditions and the useful lives of assets.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset using the following terms and methods:

	Estimated Useful life
Buildings	40 years
Furniture and fixtures	5 years
Equipment	5 years
Computers and software	3 years
Leasehold improvements	Shorter of the life of the lease, or 15 years

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively if appropriate. Construction in progress is measured at cost and reflects amounts incurred for property or equipment construction or improvements that have not been placed in service. Upon completion, construction in progress will be reclassified as building or leasehold improvements depending on the nature of the assets and depreciated over the estimated useful life of the asset.

An item of equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the statement of operations and comprehensive loss in the year the asset is de-recognized.

Leasehold improvements are depreciated over the terms of the leases when placed in service.

Intangibles

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

	Estimated Useful life
Licenses and Permits	10-15 years
Trademarks and Tradenames	5-10 years
Customer relationships	5 years

The estimated useful lives, residual values and amortization methods are reviewed at each year-end, and any changes in estimates are accounted for prospectively. Intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate potential impairment. As of December 31, 2020 and 2019, the Company has determined that no impairment exists.

Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of net identifiable assets acquired in a business combination. Goodwill is not amortized and is tested for impairment at least annually or whenever events or

changes in circumstances indicate that the carrying value may not be recoverable. In the valuation of goodwill, the Company must make assumptions regarding estimated future cash flows to be derived from its business. If these estimates or their related assumptions change in the future, the Company may be required to record impairment for these assets.

The Company has the option to first perform a qualitative assessment to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying value. However, the Company may elect to bypass the qualitative assessment and proceed directly to the quantitative impairment tests. The first step of the impairment test involves comparing the fair value of the reporting unit to its net book value, including goodwill. If the net book value exceeds its fair value, the Company would perform the second step of the goodwill impairment test to determine the amount of the impairment loss. The Company performs an annual assessment of our goodwill as of first day of the fourth quarter, or more frequently, to determine if any events or circumstances exist, such as an adverse change in business climate or a decline in overall industry demand, that would indicate that it would more likely than not reduce the fair value of a reporting unit below its carrying amount, including goodwill. If events or circumstances do not indicate that the fair value of a reporting unit is below its carrying amount, then goodwill is not considered to be impaired and no further testing is required, if otherwise, the fair value of the reporting unit is compared to its carrying value, including goodwill. If the carrying amount of a reporting unit exceeds the reporting unit's fair value, the amount by which the carrying value of the goodwill exceeds its implied fair value, if any, is recognized as an impairment loss. The Company monitors the indicators for goodwill impairment testing between annual tests.

As of October 1, 2020 and December 31, 2020, the Company performed a qualitative assessment of goodwill and determined that no adjustments to the carrying value of goodwill were required.

Recoverability of Long-lived Assets

The Company evaluates the recoverability of its long-lived tangible and intangible assets with finite useful lives for impairment when events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Such trigger events or changes in circumstances may include: a significant decrease in the market price of a long-lived asset, a significant adverse change in the extent or manner in which a long-lived asset is being used, a significant adverse change in legal factors or in the business climate, including those resulting from technology advancements in the industry, the impact of competition or other factors that could affect the value of a long-lived asset, a significant adverse deterioration in the amount of revenue or cash flows expected to be generated from an asset group, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or development of a long-lived asset, current or future operating or cash flow losses that demonstrate continuing losses associated with the use of a long-lived asset, or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The Company performs impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable and the expected undiscounted future cash flows attributable to the asset group are less than the carrying amount of the asset group, an impairment loss equal to the excess of the asset's carrying value over its fair value is recorded. Fair value is determined based upon estimated discounted future cash flows. No impairment loss was recognized for long-lived assets for the years ended December 31, 2020 and 2019. Assets to be disposed of or held for sale would be separately presented on the balance sheets and reported at the lower of their carrying amount or fair value less costs to sell, and would no longer be depreciated or amortized.

Income taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in

which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. The Company routinely evaluates the likelihood of realizing the benefit of its deferred tax assets and may record a valuation allowance if, based on all available evidence, it determines that some portion of the tax benefit will not be realized.

The Company recognizes deferred tax assets to the extent that it estimates these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, it would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions in accordance with Accounting Standards Codification ("ASC") 740 on the basis of a two-step process in which (1) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company would recognize the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority.

The Company recognizes interest and penalties related to unrecognized tax benefits on the income tax expense line in the accompanying consolidated statements of operations. As of December 31, 2020 and 2019, there were no uncertain tax positions recorded and no accrued interest or penalties are included on the related tax liability line in the consolidated balance sheets.

In evaluating the ability to recover deferred tax assets within the jurisdiction from which they arise, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies and results of operations. In projecting future taxable income, the Company considers historical results and incorporates assumptions about the amount of future state, federal and foreign pretax operating income adjusted for items that do not have tax consequences. The Company's assumptions regarding future taxable income are consistent with the plans and estimates that are used to manage its underlying businesses. In evaluating the objective evidence that historical results provide, the Company considers three years of cumulative operating income/ (loss). The income tax expense, deferred tax assets and liabilities and liabilities for unrecognized tax benefits reflect the Company's best assessment of estimated current and future taxes to be paid. Deferred tax asset valuation allowances and liabilities for unrecognized tax benefits require significant judgment regarding applicable statutes and their related interpretation, the status of various income tax audits and the Company's particular facts and circumstances. Although the Company believes that the judgments and estimates discussed herein are reasonable, actual results, including forecasted COVID-19 business recovery, could differ, and the Company may be exposed to losses or gains that could be material. To the extent the Company prevails in matters for which a liability has been established or is required to pay amounts in excess of the established liability, the effective income tax rate in a given financial statement period could be materially affected.

Advertising and promotion costs

Advertising and promotion costs are expensed as incurred. During the years ended December 31, 2020 and 2019, and December 29, 2018, the Company incurred $6,083, $5,792 and $861, respectively in advertising and promotion costs, which are included in selling, general and administrative expenses in the consolidated statements of operations and comprehensive loss.

Sale-leaseback transactions

From time to time, the Company may enter into sale-leaseback transactions to finance certain property acquisitions and capital expenditures, pursuant to which the Company sells the property to a third party and agrees to lease the property

back for a certain period of time. To determine whether the transfer of the property should be accounted for as a sale, the Company evaluates whether it has transferred control to the third party in accordance with the revenue recognition guidance set forth in ASC 606.

If the transfer of the asset is deemed to be a sale at market terms, the Company recognizes the transaction price for the sale based on the cash proceeds received, derecognizes the carrying amount of the underlying asset and recognizes a gain or loss in the consolidated statements of operations and comprehensive loss for any difference between the carrying value of the asset and the transaction price. The Company then accounts for the leaseback in accordance with its lease accounting policy.

If the transfer of the asset is determined not to be a sale at market terms, the Company accounts for the transaction as a financing arrangement, and accordingly no equipment sale is recognized. The Company retains the historical costs of the property and the related accumulated depreciation on its books and continues to depreciate the property over the lesser of its remaining useful life or its initial lease term. The asset is presented within property and equipment, net on the consolidated balance sheets. All proceeds from these transactions are accounted for as finance obligations and presented as non-current obligation on the consolidated balance sheets. A portion of the lease payments is recognized as a reduction of the financing obligation and a portion is recognized as interest expense based on an imputed interest rate.

Right of use assets and lease liability

In February 2016, the FASB issued 2016-02, *Leases (Topic 842) ("ASC 842")*, which amends the existing accounting standards for leases. The guidance requires lessees to recognize assets and liabilities related to long-term leases on the balance sheet and expands disclosure requirements regarding leasing arrangements. In July 2018, the FASB issued additional guidance, which offers a transition option to entities adopting the new lease standard. Under the transition option, entities can elect to apply the new guidance using a modified retrospective approach at the beginning of the year in which the new lease standard is adopted, rather than to the earliest comparative period presented in their financial statement and provides for certain practical expedients. The guidance is effective for annual reporting periods beginning after December 15, 2018 for public companies with early adoption permitted. The Company adopted this standard on January 1, 2019. The Company adopted ASC 842 retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. Accordingly, the Company did not restate comparative information and instead recognized the cumulative effect of applying ASC 842 as an adjustment to the opening balance sheet at the date of initial application. The Company applies the standard only to leases which were previously identified as leases in accordance with the practical expedient allowed under the standard. The Company's lease arrangements are comprised primarily of building and office leases. The adoption of this standard resulted in almost all current leases being recognized on the consolidated balance sheet, except for short-term and low-value leases. On January 1, 2019, the Company recognized right-of-use assets of $35,070 a corresponding lease liability of $35,737, and derecognized deferred rent of $713 and prepaid expenses of $46.

At inception of a contract, the Company assesses whether a contract conveys the right to control the use of an identified asset for a period in exchange for consideration, in which case it is classified as a lease. The Company recognizes a right-of-use asset (lease asset) and a lease liability at the lease commencement date. The asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received. The lease asset is subsequently depreciated using the straight-line method from the commencement date to the end of the useful life of the right-of-use asset, considered to be indicated by the lease term. The lease liability is initially measured at the present value of outstanding lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method and is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Company changes its assessment of whether

it will exercise a purchase, extension or termination option. A corresponding adjustment is made to the carrying amount of the right-of-use asset with any excess over the carrying amount of the asset being recognized in profit or loss. The Company has elected not to recognize lease assets and lease liabilities for short-term leases (leases with a term of 12 months or less) and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Revenue recognition

Performance Obligations

The Company recognizes revenue from sales when it satisfies its performance obligations by transferring control of promised products to its customers, which occurs at a point in time when the customer obtains the ability to direct the use of and obtain substantially all of the remaining benefits from the products. Revenue from the Company's retail business is recognized when the customer takes physical possession of the products, which occurs at the point of sale for merchandise purchased at the Company's own retail stores, or upon shipment for merchandise ordered through online websites. Such revenues are recorded net of estimated returns based on historical trends.

Revenue from the Company's wholesale business is generally recognized upon shipment of products, at which point title passes and risk of loss is transferred to the customer.

The Company recognizes revenue in an amount that reflects the consideration it expects to be entitled to in exchange for the performance obligations. Revenue is recorded net of discounts and unearned revenue from the Company's loyalty programs. Discounts are provided by the Company during promotional days or weekends. Discounts are also provided to employees, seniors and other categories of customers and may include price reductions and coupons. Variable consideration is estimated in the transaction price at contract inception based on current sales levels and historical experience using the expected value method, subject to constraint. Payment is typically due upon transferring the goods to the customer or within a specified time period permitted under the Company's credit policy.

Sales taxes collected from customers are remitted to the appropriate taxing jurisdictions as they become due, and are excluded from sales revenue as the Company considers itself a pass-through conduit for collecting and remitting sales taxes. Freight revenues on all product sales, when applicable, are also recognized, on a consistent manner, at a point in time. The term between invoicing and when payment is due is not significant and the period between when the entity transfers the promised good or service to the customer and when the customer pays for that good or service is one year or less.

The Company generates an immaterial amount of revenue from services like management fee revenues and interest on overdue amounts on the Columbia Care's National Credit card ("CNC Cards"). Management fee revenue is recognized over time as the recipient of management services derives value from the services provided. The interest on overdue amounts on the CNC Cards is recognized as interest income over time.

Loyalty Points Reward Programs

In certain of its markets, the Company offers a loyalty reward program to its dispensary customers. The Company offers its customers loyalty points rewards program that allows its customers to earn discounts on future purchases. Loyalty points are earned when a qualifying purchase is made. When a customer attains a certain number of points, the customer can redeem the credits on his/her next in-store purchase, up to a certain annual minimum. Loyalty points not redeemed expire automatically after six months from the date which they were earned.

A portion of the revenue generated in a sale is allocated to the loyalty points earned. The amount allocated to the points earned is deferred until the loyalty points are redeemed or expire.

Deferred Income

Deferred income represents cash payments received in advance of the Company's transfer of control of products or services to its customers and generally consists of unearned revenue from the Company's loyalty programs. The Company's deferred income balances were $2,254 and $0 as of December 31, 2020 and 2019, respectively, and were recorded within accrued expenses and other current liabilities in the consolidated balance sheets. During the years ended December 31, 2020 and 2019 and December 29, 2018, the Company did not recognize any amount as net revenues from amounts recorded as deferred income in the earlier years. The deferred income balance as of December 31, 2020 is expected to be recognized as revenue within the next twelve months.

Cost of Goods Sold

Cost of goods sold includes the amounts incurred to acquire and produce inventory for sale to the Company's customers, including costs of purchased materials, freight charges, depreciation, direct labor and other employment costs, cultivation facility costs, excise taxes and changes in reserves for obsolescence and inventory realizability.

These costs are reflected in the Company's consolidated statements of operations and comprehensive loss when the product is sold and net sales revenues are recognized or, in the case of inventory write-downs, when circumstances indicate that the carrying value of inventories is in excess of their recoverable value. Additionally, cost of sales includes the costs associated with certain free or heavily discounted products. These incentive costs are recognized at the same time that the Company recognizes the related revenue.

Accounts receivable, net

Accounts receivable consist of amounts billed and currently due from customers. The Company maintains an allowance for doubtful accounts for estimated losses. In determining the allowance, consideration includes the probability of recoverability based on historical collection experience, aging of receivables and other economic and industry factors. Certain accounts receivable may be fully reserved when the Company becomes aware of any specific collection issues.

Credit losses

The allowance for credit losses is based upon a number of factors, including the length of time accounts receivable are past due, the Company's previous loss history, the specific customer's ability to pay its obligation and any other forward-looking data regarding customers' ability to pay which may be available.

Sales taxes

Sales taxes collected from customers are excluded from revenues.

Equity-based payment arrangements

The Company measures all equity-based payment arrangements to employees and directors in accordance with ASC 718, *Compensation–Stock Compensation*. The Company's stock-based compensation cost is measured based on the fair value at the grant date of the stock-based award. It is recognized as expense over the requisite service period, which generally represents the vesting period. Forfeitures are recognized as they occur. The Company estimates the fair value of each stock-based award on its measurement date using either the current market price of the stock, the Black-Scholes option valuation model or the Monte Carlo Simulation valuation model, whichever is most appropriate. The Black-Scholes and Monte Carlo Simulation valuation models incorporate assumptions such as expected term of the instrument,

volatility of the Company's future share price, risk free rates, future dividend yields and estimated forfeitures at the initial grant date, by reference to the underlying terms of the instrument, and the Company's experience with similar instruments. Changes in assumptions used to estimate fair value could result in materially different results.

Expected volatility is based on the historical volatility of the Company's stock price. The risk-free interest rates are based on quoted U.S. Treasury rates for securities with maturities approximating the awards' expected lives. Expected lives are principally based on the Company's historical exercise experience with previously issued awards. The expected dividend yield is zero as the Company has never paid dividends and does not currently anticipate paying any in the foreseeable future.

Expense for performance restricted stock awards is recognized based upon the fair value of the awards on the date of grant and the number of shares expected to vest based on the terms of the underlying award agreement and the requisite service period(s).

Equity classified common stock warrants

The Company classifies certain warrants for the purchase of shares of its common stock as equity on its consolidated balance sheets as these warrants are considered indexed to the Company's shares of Common Stock. For warrants that do not meet the criteria of a liability warrant and are classified on the Company's consolidated balance sheets as equity instruments, the Company uses the Black-Scholes model to measure the value of the warrants at issuance.

Convertible debt

The identification of convertible debt components is based on interpretations of the substance of the contractual arrangement and therefore requires judgement. The separation of the components affects the initial recognition of the convertible debt at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on several assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

When determining the appropriate basis of accounting for the Company's interests in affiliates, the Company makes judgments about the degree of influence that it exerts directly or through an arrangement over the investees' relevant activities.

Financial instruments

The Company follows the guidance in FASB ASC 820, *Fair Value Measurements and Disclosures*, or ASC 820, which defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or

liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company may engage third party qualified valuers to perform the valuation. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company may engage third-party qualified valuers to perform the valuation. This condition could cause an instrument to be reclassified from Level 1 to Level 2 or Level 2 to Level 3.

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

Initial measurement of financial assets and financial liabilities

Financial assets and liabilities are recognized at fair value upon initial recognition plus any directly attributable transaction costs when not subsequently measured at fair value through profit or loss.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

Subsequent measurement

Measurement in subsequent periods is dependent on the classification of the financial instrument. The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held to maturity, available for sale, and other financial liabilities.

The Company's Level 3 financial instruments include the derivative liability associated with the convertible note payable issued to stockholders (see Note 5).

Accrued expenses and other current liabilities:

Accrued expenses and other current liabilities consist of –

	December 31, 2020	December 31, 2019
Accrued Expenses	$ 28,152	$ 4,994
Payroll Liabilities	8,758	3,431
Other Current Liabilities	5,949	692
Income tax payable	2,387	—
Accrued expenses and other current liabilities	$ 45,246	$ 9,117

Recently adopted accounting pronouncements

In August 2018, the Financial Accounting Standards Board ("FASB") issued Auditing Standards Update ("ASU") No. 2018-13 Fair Value Measurement (Topic 820): *Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*. The update removes, modifies and makes additions to the disclosure requirements on fair value measurements. The update was adopted as of January 1, 2018, and its adoption did not have a material impact on the Company's consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, Intangibles - Goodwill and Other (Topic 350): *Simplifying the Test for Goodwill Impairment*. The update simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount. This update is effective for annual and interim periods beginning after December 15, 2019, and interim periods within that reporting period. The update was adopted as of January 1, 2020, and its adoption did not have a material impact on the Company's consolidated financial statements.

In June 2018, the FASB issued ASU 2018-07, *Compensation – Stock Compensation* (Topic 718): *Improvements to Nonemployee Share-Based Payment Accounting* ("ASU 2018-07"), which expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees, with the result of aligning the guidance on share-based payments to nonemployees with that for share-based payments to employees, with certain exceptions, and eliminating the need to re-value awards to nonemployees at each balance sheet date. ASU 2018-07 is effective for annual periods, and interim periods within those years, beginning after December 15, 2018, with early adoption permitted for companies who have previously adopted ASU 2017-09. The Company early adopted ASU 2018-07 effective January 1, 2018 for accounting for our liability-classified non-employee awards that had not vested as of that date. No adjustment to additional paid in capital was required as a result of the adoption of ASU 2018-07.

In June 2016, the Financial Accounting Standards Board (the "FASB") issued ASU 2016-13, which was subsequently amended by ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses* ("ASU 2018-19"), in November 2018. Subsequently, the FASB issued ASU No. 2019-04, ASU No. 2019-05, ASU No. 2019-10, ASU No. 2019-11 and ASU No. 2020-02 to provide additional guidance on the credit losses standard. ASU 2016-13 and the related updates are intended to improve financial reporting requiring more timely recognition of credit losses on loans and other financial instruments that are not accounted for at fair value through net income, including loans held for investment, held-to-maturity debt securities, net investment in leases and other such commitments. ASU 2016-

13 requires that financial assets measured at amortized cost be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The amendments in ASU 2016-13 require the Company to measure all expected credit losses based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the financial assets and eliminates the "incurred loss" methodology under current GAAP. ASU 2018-19 clarified that receivables arising from operating leases are not within the scope of Topic 326. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with ASU No. 2016-02, *Leases (Topic 842)* ("ASC 842"). ASU 2016-13 and ASU 2018-19 are effective for fiscal years, and interim periods within those years, beginning after December 15, 2019. The Company adopted ASU 2016-13 and the related updated during the first quarter of fiscal year 2020. The Company did not have a material impact on its financial statements and related disclosures as a result of this adoption.

Recently issued accounting pronouncements

In July 2017, the FASB issued ASU 2017-11, Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception. ASU 2017-11 simplifies the accounting for freestanding financial instruments or equity-linked embedded features with down round features by no longer requiring entities to consider down round features when determining whether these instruments or embedded features are considered indexed to the entity's own stock. It also requires entities that present Earning Per Share (EPS) pursuant to ASC 260 to recognize the effect of a down round feature in a freestanding equity-classified financial instrument only when it is triggered. For public business entities the guidance is effective for fiscal years beginning after December 15, 2018 and interim periods within those years. Early adoption is permitted, including adoption in an interim period. The Company early adopted ASU 2017-11 in the year 2018 in relation to the assessment of freestanding warrants and presentation of EPS.

In December 2019, the FASB issued ASU No. 2019-12 Income Taxes (Topic 740): *Simplifying the Accounting for Income Taxes*. The update contains a number of provisions intended to simplify the accounting for income taxes. The update is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. The Company is evaluating the impact of this update on its consolidated financial statements.

In January 2020, the FASB issued ASU No. 2020-01, Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815. The update among other things clarifies that a company should consider observable transactions that require a company to either apply or discontinue the equity method of accounting under Topic 323, Investments—Equity Method and Joint Ventures, for the purposes of applying the measurement alternative in accordance with Topic 321 immediately before applying or upon discontinuing the equity method. The update is effective for fiscal years beginning after December 15, 2021. The Company is evaluating the impact of this update on its consolidated financial statements.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

In August 2020, the FASB issued ASU No. 2020-06 Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. The update is to address issues identified as a result of the complexity associated with applying generally accepted accounting principles for certain financial instruments with characteristics of liabilities and equity. The update is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years and with early adoption permitted. The Company is evaluating the impact of this update on its consolidated financial statements.

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the financial statements upon adoption.

3. REVERSE TAKEOVER TRANSACTION

On November 21, 2018, CGGC entered into a merger agreement with Columbia Care LLC (the "Merger Agreement") providing for the merger (the "Merger") of Columbia Care LLC with a newly-formed subsidiary of CGGC. On April 26, 2019, (the "Acquisition Date") the Company completed the merger. Under the terms of the Merger Agreement, CGGC acquired 100% of the issued and outstanding ownership interests of Columbia Care LLC in exchange for the issuance of common shares and proportionate voting shares in the capital of CGGC. Prior to the Merger, CGGC consolidated its common shares on a one for three basis and changed its name to Columbia Care Inc. Following the Merger, Columbia Care LLC became a single-member partnership, wholly owned by the Company.

While CGGC was the legal acquirer of Columbia Care LLC, the RTO has been treated as a reverse asset acquisition and consequently Columbia Care LLC was identified as the acquirer for accounting purposes. The RTO was measured at the fair value of the shares deemed to have been issued by Columbia Care LLC in order for the ownership interest in the combined entity to be the same as if the transaction had taken the legal form of Columbia Care LLC acquiring 100% of CGGC. Any difference between the fair value of the shares deemed to have been issued by Columbia Care LLC and the fair value of CGGC's identifiable net assets acquired and liabilities assumed represents the value of the public listing received by Columbia Care LLC and was debited to equity. The identifiable assets acquired and liabilities of CGGC assumed by Columbia Care LLC were based on their respective fair values at the Acquisition Date and were paid as follows:

Net assets acquired	
Cash	$120,193
Consideration paid	
19,077,096 common shares held by CGGC shareholders	$ 111,339
5,394,945 warrants held by CGGC shareholders	19,925
	$131,264
Value attributable to obtaining a listing status	$ 11,071

For the year ended December 31, 2019, the Company expensed $3,961 in listing costs. The fair value of the common shares and warrants included in the consideration paid of $131,264 was determined based on an independent valuation of the Company's shares and the percentage ownership of CGGC shareholders, on a diluted basis, on the Acquisition

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

Date. The fair value of the warrants included in the consideration paid of $19,925 was calculated using the Black-Scholes model with the following assumptions:

Expected volatility	70%
Expected term (years)	5.00
Expected dividends	0.00%
Risk-free interest rate	1.52%

Volatility was estimated by using the average historical volatility of comparable companies from a representative peer group of publicly traded cannabis companies.

The Company evaluated the warrants issued as a part of the purchase consideration under ASC 480, Distinguishing Liabilities from Equity and ASC 815-40, Derivatives and Hedging—Contracts in Entity's Own Equity. These warrants do not have a redemption feature and are traded separately from our common shares on the NEO exchange. They can be converted into shares, on a one-for-one conversion ratio prior to their expiry on April 26, 2024, upon payment of a fixed exercise price of $10.35(Canadian Dollars) per warrant by the warrant holder. The settlement amount is subject to change in case of certain situations like future stock split, consolidation, stock dividend etc. These variables that could affect the settlement amount would be inputs to the fair value of a fixed-for-fixed forward or option on equity shares. As the Company early adopted the provisions of ASU 2017-11 in 2018, the value of the down round provision associated with a future rights issue would be recognized only when it is activated and there is an actual reduction of the strike price or conversion feature. The Company determined that these warrants are freestanding financial instruments that qualify for the scope exemption for being accounted as derivatives. Further, the warrant agreement does not prohibit settlement in unregistered shares and it does not contain any cash-settled top-off or make-whole provisions or provisions for cash payment by the Company in case it fails to file with the SEC. The Company has an unlimited number of authorized shares and it is not required to post a collateral at any point with respect to the warrant agreement. The rights of the warrant holders do not rank higher than the rights of the shareholders. The Company therefore concluded that the warrants meet the criteria to be classified in stockholders' equity and should be measured at fair value on the date of RTO. No changes would be required to the measurement amount or the classification unless an event that requires a reclassification of the warrants out of the equity occurs. The Company reassessed the contract classification as of December 31, 2020 and 2019, noting no changes to the classification and / or measurement.

4. INVENTORY

Details of the Company's inventory are shown in the table below:

	December 31, 2020	December 31, 2019
Work-in-process - cannabis in cures and final vault	$ 35,368	$ 19,593
Finished goods, accessories and supplies	19,436	6,482
Total inventory	**$ 54,804**	**$ 26,075**

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

5. CURRENT AND LONG-TERM DEBT

Current and long-term obligations, net, are shown in the table below:

	December 31, 2020	December 31, 2019
Term debt	$ 69,965	$ —
Convertible debt	18,760	—
Closing Promissory Notes (see Note 6)	8,776	—
Unamortized debt discount	(10,500)	—
Unamortized debt premium	607	
Unamortized deferred financing costs	(3,079)	—
Total debt	84,529	—
Less current portion	(8,439)	—
Long-term portion	$ 76,090	$ —

The following table summarizes the scheduled principal payments on the Company's outstanding indebtedness as of December 31, 2020:

Year ending	Term debt	Convertible debt	Closing Promissory Note	Total
2021	$ —	$ —	$ 8,776	$ 8,776
2023	69,965	18,760	—	88,725
Total future debt maturities	$ 69,965	$ 18,760	$ 8,776	$97,501

The Company was in compliance with all financial covenants and was not in default of any provisions under any of its debt arrangements as of December 31, 2020. All of the Company's debt is unsecured and no assets have been pledged as security.

Term debt

On March 31, 2020 and April 23, 2020, the Company completed the first and second tranches of a private placement of notes ("Private Notes") for an aggregate principal amount of $14,250 and $1,000, respectively. The Private Notes required interest-only payments through March 30, 2024, at a rate of 9.875% per annum, payable semi-annually on March 31 and September 30 commencing on September 30, 2020. The Private Notes were due in full on March 30, 2024. In connection with the first and second tranche offerings of the Private Notes, the Company issued 1,723,250 common share purchase warrants at an exercise price of $3.10 (Canadian Dollars).

On May 14, 2020, the Company completed a private placement of an aggregate of 19,115 senior secured first-lien note units (the "May Units") for aggregate gross proceeds of $19,115, each May Unit being comprised of (i) $1,000 principal amount of 13.00% senior secured first-lien notes ("Notes") and (ii) 120 Common Share purchase warrants (the "May Warrants") with an exercise price of $2.95 (Canadian Dollars) per underlying Common Share (the "May Private Placement"). Concurrent with the closing of the May Private Placement, the Private Notes were exchanged for Notes. In addition, holders of Private Notes were issued additional 130,388 May Warrants with an exercise price of $2.95 (Canadian Dollars).

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

On July 2, 2020, the Company completed a second private placement of an aggregate of 4,000 units (the "July Units") for aggregate gross proceeds of $4,000, each July Unit being comprised of (i) $1,000 Notes and (ii) 75 Common Share purchase warrants (the "July Warrants") with an exercise price of $4.53 (Canadian Dollars) per underlying Common Share.

On October 29, 2020, November 10, 2020 and November 27, 2020, the Company completed private placements of an aggregate of 20,000, 8,400 and 3,000 units (the "Early November Units"), respectively, for aggregate gross proceeds of $32,054, each unit being comprised of (i) $1,000 Notes and (ii) 60 Common Share purchase warrants (the "Fall Warrants" and together with the May Warrants and July Warrants, the "Warrants") with an exercise price of $5.84 (Canadian Dollars) per underlying Common Share.

On November 30, 2020, the Company completed another private placement of an aggregate of 200 units the "Late November Units" and together with the May Units, the July Units and the Early November Units, the "Units"), respectively for aggregate gross proceeds of $200, each unit being comprised of (i) $1,000 Notes and (ii) 125 Fall Warrants.

As of December 31, 2020, the aggregate principal amount outstanding under the Notes was $69,965.

At the option of the holder, each Warrant can be exchanged for one Common Share. The Warrants expire on May 14, 2023.

The Notes require interest-only payments through May 14, 2023, at a rate of 13.0% per annum, payable semi-annually on May 31 and November 30, which commenced on November 30, 2020. The Notes are due in full on May 15, 2023. The Company incurred financing costs of $3,373 in connection with the issuance of these Notes. The Notes contain customary terms and conditions, representations and warranties, and events of default.

Upon initial recognition, the Company recorded $6,298 to equity reserves, reflecting the fair value of the warrants issued, with a corresponding reduction to the carrying value of the Notes. The debt discount will be amortized to interest expense over the term of the notes using the effective interest method. During the year ended December 31, 2020, the Company recognized amortization expense of $731 related to the discount on the Notes.

The fair value of the warrants included in the private placement were calculated using the Black-Scholes model with the following assumptions:

Expected volatility	80.00%
Expected term (years)	3.00
Expected dividends	0.00%
Risk-free interest rate	0.50%

Volatility was estimated by using the average historical volatility of comparable companies from a representative peer group of publicly traded cannabis companies.

Convertible Debt

On June 19, 2020, the Company completed the first tranche of an offering of senior secured convertible notes ("Convertible Notes") for an aggregate principal amount of $12,800. During July 2020, the Company completed subsequent tranches for an aggregate principal amount of $5,960. As of December 31, 2020, total outstanding on the Convertible Notes was $18,760.

The Convertible Notes can be exchanged into Common Shares at a conversion price of $3.79 (Canadian Dollars). For the purposes of determining the number of Common Shares issuable upon conversion of the Convertible Notes, the principal amount of the Convertible Notes surrendered for conversion shall be deemed converted from U.S. Dollars into Canadian Dollars, using the end-of-day exchange rate published by the Bank of Canada on the date immediately

preceding the date that the Convertible Note is surrendered for conversion. The Convertible Notes require interest-only payments until December 19, 2023, at a rate of 5.0% per annum, payable semi-annually on June 30 and December 31 commencing on December 31, 2020. The Convertible Notes are due in full on December 19, 2023. The Company incurred financing costs of $175 in connection with issuance of the Convertible Notes.

The Company determined that the Convertible Notes represent an obligation to issue a variable number of shares for a variable amount of liability, as the amount of the liability to be settled depends on the applicable foreign exchange rate at the date of settlement. In accordance with ASC 480 – *Distinguishing Liabilities from Equity*, a conversion feature within a financial instrument to issue a variable number of equity units fails to meet the definition of equity. Accordingly, such a conversion feature must be accounted for as an embedded derivative liability and measured at fair value with changes in fair value recognized in the consolidated statements of operations. Upon initial recognition, the Company recorded a derivative liability of $5,364 within other long-term liabilities in the consolidated balance sheets and a corresponding debt discount, reflected as a reduction to the carrying value of the Convertible Notes. During the year ended December 31, 2020, the fair value of the derivative increased by $11,745 and is recorded in other expense in the consolidated statement of operations. As of December 31, 2020, the fair value of the derivative liability included on the Company's consolidated balance sheet was $17,109. Refer to Note 16 for details regarding fair value measurement.

The debt discount is amortized over the term of the Convertible Notes. During the year ended December 31, 2020, the Company recognized amortization expense of $766, related to the Convertible Notes.

Term debt - Real Estate

In January 2016, the Company entered into a loan and security agreement (the "Agreement") with various individuals for loans in the aggregate amount of $10,000. The Agreement had a stated interest rate of 7% with a maturity date of January 25, 2019. The aggregate principal amount of the loans per an amendment dated March 31, 2017 was increased from $10,000 to $12,000.

The loans could be prepaid prior to the second anniversary of the closing date with the consent of such lenders. At any time on and following the second anniversary of the closing date, the loans could be prepaid in whole or in part not less than three business days' prior written notice to the lenders. The loans were collateralized by various real estate holdings of the Company.

Interest expense and amortization expense for the years ended December 31, 2020 and 2019 and December 29, 2018 was nil and $18 and $781, respectively.

In January 2019, principal in the amount of $2,500 and accrued interest in the amount of $37 was converted into 27,561 common units and the remaining outstanding principal of $1,295 was repaid.

Private Lender Loan

In March 2016, the Company entered into a loan and security agreement with a private lender in the amount of $4,000 at a stated interest rate of 7%, and a March 2019 maturity date. Interest on the loan accrued from the closing date and was paid in arrears on a quarterly basis. Under the terms of the loan, the lender also received warrants to purchase 14,552 common units for $0.01 per unit. Prior to the first anniversary of the closing date, the loan could only be prepaid with the consent of the lender. At any time following the first anniversary of the loan's closing date, the Company could prepay the loan, in whole or in part, with proper notice. The loan was secured by the general assets of the Company, including subsidiaries, with the exclusion of any real estate assets. The loan was repaid in full in October 2018. Interest expense for the year ended December 29, 2018 was $222.

Florida Construction Loan

In August 2017, the Company obtained a construction loan from private lenders in the amount of $7,000 at a stated interest rate of 5%. Interest was payable at maturity and the loan had a maturity date of February 9, 2019. Under the terms of the loan, the lenders also received warrants to purchase 6,973 common units for $0.01 per unit. During the year ended December 29, 2018, the Company and certain lenders agreed to convert $6,000 of the loan principal into 79,234 common units, and the Company repaid the remaining $1,000 principal. Interest expense for the loan for the year ended December 29, 2018 was $285.

Membership Loans

Effective May 2018, the Company entered into a loan and security agreement with two founders of the Company. The agreement formalized loans extended to the Company beginning in March 2016. Per the agreement, the lenders agreed to extend the loans with an aggregate principal amount of not more than $8,000 and a maturity date of January 1, 2019. The loans under the agreement had 7% interest rate due in cash on a quarterly basis on each quarterly anniversary of the closing date, with any unpaid interest added to the outstanding principal balance. In September 2018, the Company entered into a loan and security agreement with the same two founders of the Company for terms materially identical to the above membership loan agreement. The loan had a maturity date of May 18, 2019.

The Company issued 31,802 and 18,190 warrants during the year ended December 29, 2018, in connection with the membership loans. The loans were repaid in full in October 2018 and consequently the Company accelerated the amortization of debt discount resulting from warrants issued during the agreement. Amortization expense for the year ended December 29, 2018 was $4,369. Interest expense for the year ended December 29, 2018 was $484.

Working Capital Loan

In July 2016, the Company obtained a working capital loan of $950 from various lenders (the “Working Capital Loan”). The Working Capital Loan had a stated interest rate of 10% and a maturity date of July 11, 2019. The Working Capital Loan was unsecured. Interest was paid in cash arrears commencing on July 31, 2018 and on each quarterly anniversary thereafter. The Company was permitted to prepay the loans, in whole or in part, upon not less than three business days prior with written notice.

The Company repaid $650 to various lenders in December 2018. The remaining $300 was paid in January 2019.

Interest expense for the year ended December 29, 2018, was $92.

2021 Activity

In April 2021, the Company offered an incentive program to the holders of the Convertible Notes, pursuant to which, the Company would issue to each noteholder that surrendered its Convertible Notes for conversion on or before May 28, 2021, 20 Common Shares of the Company on a private placement basis for each US$1,000 aggregate principal amount of Notes surrendered for conversion. Pursuant to this incentive program, 4,550,139 shares were issued as a result of conversion of $13,160 of Convertible Notes.

6. ACQUISITIONS

Project Cannabis

On December 1, 2020, the Company acquired (the “Project Cannabis Transaction”) a 100% ownership interest in Resource Referral Services Inc., PHC Facilities Inc. and Wellness Earth Energy Dispensary, Inc., and acquired a 49.9% ownership interest in Access Bryant SPC (collectively, “Project Cannabis”).

Project Cannabis was formed in August 2014 for the purpose of selling medicinal and recreational cannabis products in the state of California, on both a wholesale and retail basis. Project Cannabis owns and operates vertically integrated cultivation facilities, manufacturing facilities and retail dispensaries in the state of California. The Company executed the Project Cannabis Transaction in order to continue to grow revenues; expand its cultivation facilities, manufacturing facilities and dispensaries; and penetrate the California market.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

As a part of the Project Cannabis Transaction, the Company was also granted a real estate purchase option of $16,500. The amount is anticipated to be paid to the sellers in the form of cash and assumption of debt on or prior to June 30, 2021.

The aggregate purchase price for the Project Cannabis Transaction, being $39,029 (the "Transaction Price") consisted of $35,273 in equity purchase consideration ("Closing Shares"), $3,400 of deferred stock payments ("Deferred Stock Consideration"), and a working capital adjustment of $356. Purchase consideration comprised 15,713,867 common shares, of which, 1,528,881 of the subject securities are subject to a lock-up period of eighteen months following the date of issuance, for the purpose of funding any potential indemnification obligations of the seller.

The following table summarizes the Company's preliminary determination of fair value of total consideration transferred and the fair value of each major class of consideration for Project Cannabis:

Consideration transferred	
Closing Shares	$35,273
Deferred stock payments	3,400
Total unadjusted purchase price	38,673
Working capital adjustment	356
Total adjusted purchase price	39,029
Less: Cash acquired	(877)
Total purchase price	$38,152

Recognized amounts of identifiable assets acquired and liabilities assumed, less cash assumed:

Purchase price allocation	
Assets acquired:	
Accounts receivable	$ 1,568
Inventory	2,795
Prepaid expenses and other current assets	699
Property and equipment	632
Right of use assets	1,587
Long-term deposits	38
Goodwill	23,292
Intangible assets	18,020
Other non-current assets	5,221
Accounts payable	(121)
Accrued expenses and other current liabilities	(3,431)
Lease liabilities	(1,587)
Deferred tax liability	(5,340)
Other long-term liabilities	(5,221)
Consideration transferred	$38,152

The preliminary purchase price allocations for the Project Cannabis Transaction reflects various fair value estimates and analyses relating to the determination of fair value of certain tangible and intangible assets acquired and residual goodwill. The Company determined the estimated fair value of the acquired working capital, and identifiable intangible assets and goodwill after review and consideration of relevant information including discounted cash flow analyses, market data and management's estimates, prepared by an independent valuation firm. The estimated fair value of acquired working capital was determined to approximate carrying value.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

For leases acquired, the Company measured the lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The Company measured the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The goodwill arising from the Project Cannabis Transaction consists of expected synergies from combining operations of the Company and Project Cannabis, and intangible assets not qualifying for separate recognition such as formulations, proprietary technologies and acquired know-how. None of the goodwill will be deductible for tax purposes.

Project Cannabis' state licenses, trade name and wholesale customers represented identifiable intangible assets acquired in the amounts of $10,356, $4,411 and $3,253, respectively, which were determined to have definite useful lives of 10, 5 and 5 years, each respectively.

In conjunction with the Project Cannabis Transaction, the Company expensed $584 of acquisition-related costs, which have been included in selling, general and administrative expenses on the Company's consolidated statement of operations and comprehensive loss.

Since the closing date of the Project Cannabis Transaction, $2,714 of revenue and $2,176 of net income of Project Cannabis have been included in the Company's consolidated statement of operations and comprehensive loss for the year ended December 31, 2020. The purchase price allocation is expected to be completed in 2021.

The Green Solution

On September 1, 2020, the Company acquired (the "TGS Transaction") a 100% ownership interest in TGS Global, LLC ("TGS Global"), TGS Colorado Management, LLC, The Green Solution LLC, Rocky Mountain Tillage, LLC, and Infuzionz, LLC and Beacon Holdings, LLC (collectively, "TGS").

TGS Global was formed in October 2010 for the purpose of selling medicinal and recreational cannabis products in the state of Colorado. TGS Global owns and operates vertically integrated cultivation facilities, manufacturing facilities and retail dispensaries in the state of Colorado. The Company executed the TGS Transaction in order to continue to grow revenues; expand its cultivation facilities, manufacturing facilities and dispensaries; and enter the Colorado market.

The aggregate purchase price for the TGS Transaction, being $143,581 consisted of $200 in cash consideration, $8,170 in promissory notes ("TGS Closing Promissory Notes"), $108,766 in equity purchase consideration ("Closing Shares"), and contingent consideration ("Milestone Shares") of $26,445. Equity purchase consideration comprised 33,222,900 Common Shares of which 32,955,987 were issued on September 1, 2020 and the remaining 266,913 Common Shares were issued during the fourth quarter of 2020. The TGS Closing Promissory Notes were issued with a debt discount of $606 and require monthly interest payments at a rate of 9.0% per annum. The TGS Closing Promissory Notes require principal payments of $3,750, $3,750 and $1,276 and are due on January 1, 2021, April 1, 2021 and July 1, 2021, respectively. Subsequent to December 31, 2020, the Company has paid down $7,500 on the TGS Closing Promissory Notes.

The following table summarizes the fair value of total consideration transferred and the fair value of each major class of consideration for TGS:

Consideration transferred	
Cash consideration	$ 200
Closing promissory notes	8,170
Closing Shares	108,766
Milestone Shares after closing (contingent consideration)	26,445
Total unadjusted purchase price	143,581
Less: Cash and cash equivalents acquired	(3,203)
Total purchase price, net of cash and cash equivalents acquired	$140,378

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

Recognized amounts of identifiable assets acquired and liabilities assumed, less cash assumed:

Purchase price allocation	
Assets acquired:	
Accounts receivable	$ 367
Inventory	10,700
Prepaid expenses and other current assets	796
Property and equipment	11,838
Right of use assets	81,206
Long-term deposits	2,174
Goodwill	114,467
Intangible assets	70,267
Accounts payable	(5,204)
Accrued expenses and other current liabilities	(15,408)
Note payable	(16,855)
Lease liabilities	(95,954)
Deferred tax liabilities	(18,016)
Consideration transferred	$140,378

The purchase price allocations for the TGS Transaction reflects various fair value estimates and analyses relating to the determination of fair values of certain tangible and intangible assets acquired and residual goodwill. The contingent consideration, payable in Common Shares (the "Milestone Shares") of the Company, was estimated considering certain metrics for the year ended December 31, 2020, subject to the terms and conditions set forth in the Membership Interest Purchase Agreement ("MIPA") entered into by the Company in connection with the TGS Transaction. The fair value of the contingent consideration was estimated by an independent valuation firm, based upon management's projections of revenue and EBITDA margin, by applying a probability weighted expected return method ("PWERM") analysis. This fair value measurement was based on significant inputs that are not observable in the market, and represent a level 3 fair value measurement, including those relating to discount factors and probabilities of achievement of the related milestones. A 15% discount was applied, to derive a discounted probability-adjusted earnout of $28,133. The Company then applied a discount for lack of marketability rate of 6% for a net fair value of contingent consideration of $26,445. An estimated range of outcomes has been deemed indeterminable by the Company.

As of December 31, 2020, the Company remeasured the contingent consideration at its fair value. This resulted in an additional accrual of $21,757 of contingent consideration, with a corresponding debit to the other (expense) income, net.

In April 2021, the Company issued 7,234,266 Milestone Shares to the Sellers in full settlement of the contingent consideration.

The Company determined the estimated fair value of the acquired working capital, and identifiable intangible assets and goodwill after review and consideration of relevant information including discounted cash flow analyses, market data and management's estimates, prepared by an independent valuation firm. The estimated fair value of acquired working capital was determined to approximate carrying value.

For leases acquired, the Company measured the lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The Company measured the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The goodwill arising from the TGS Transaction consists of expected synergies from combining operations of the Company and TGS, and intangible assets not qualifying for separate recognition such as formulations, proprietary technologies and acquired know-how. None of the goodwill will be deductible for tax purposes.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

The TGS' state licenses, trade name and wholesale customers represented identifiable intangible assets acquired in the amounts of $41,602, $28,632 and $33, respectively, which were determined to have definite useful lives of 10, 10 and 5 years, each respectively.

In conjunction with the TGS Transaction, the Company expensed $916 of acquisition-related costs, which have been included in selling, general and administrative expenses on the Company's consolidated statement of operations and comprehensive loss.

Since the closing date of the TGS Transaction, $38,166 of revenue and $11,937 of net income of TGS have been included in the Company's consolidated statement of operations and comprehensive loss for the year ended December 31, 2020, each respectively.

Unaudited supplemental pro-forma information

Had the acquisition of TGS been completed on January 1, 2019, the Company's pro forma results of operations for the years ended December 31, 2020 and 2019 would have been as follows:

	December 31, 2020	December 31, 2019
Revenue	$ 241,976	$ 153,186
Net loss attributable to shareholders	(100,986)	(112,676)
Earnings attributable to shares (basic and diluted)	(0.38)	(0.45)
Weighted-average number of shares used in earnings per share - basic and diluted	262,390,801	250,619,406

The pro forma financial information which gives effect to certain transaction accounting adjustments, including amortization of acquired intangibles is not necessarily indicative of the operating results that would have occurred had the acquisition been consummated on January 1, 2019, nor is it necessarily indicative of future operating results.

CannAscend

On October 25, 2018, the Company, CannAscend Alternative, LLC ("CAA"), and CannAscend Alternative Logan, LLC ("CAA Logan") entered into a Membership Interest Purchase Option Agreement (the "CannAscend Option Agreement"). CAA and CAA Logan are both Ohio-based limited liability companies that operate dispensaries (collectively the "Target Companies"). Under the terms of the CannAscend Option Agreement, the Company purchased an exclusive option to acquire all outstanding membership interests (the "CannAscend Option") of the Target Companies during the period commencing on the first anniversary of the date upon which all four of the dispensaries operated by the Target Companies have been issued certificates of operation under Ohio's Medical Marijuana Control Program and all necessary regulatory approvals have been obtained (the "Commencement Date"). The CannAscend Option expires on the 30th day following said Commencement Date ("CannAscend Option Period"). All four of the dispensaries operated by the Target Companies were issued certificates of operation under Ohio's Medical Marijuana Control Program in the fourth quarter of 2019 and the Company is currently in the process of obtaining necessary regulatory approvals.

The price for the CannAscend Option Agreement was approximately $4,124 ("CannAscend Option Deposit"). The Company has recorded the $4,124 of CannAscend Option Deposit paid as long-term deposits on the consolidated balance sheets as of December 31, 2020 and 2019, respectively. The CannAscend Option Deposit made by the Company is non-refundable. If the Company exercises the CannAscend Option, the Company will pay a purchase price of $14,150, subject to reduction as provided in the CannAscend Option Agreement.

As part of the CannAscend Option Agreement, the Company entered into an escrow agreement with the Target Companies and deposited money into an escrow account. As of December 31, 2020, and 2019, the escrow deposit account had a balance of $10,026 which is recorded as restricted cash on the consolidated balance sheets.

The Company issued a revolving loan to the Target Companies (the "CannAscend Revolving Loan"), with a principal amount to not exceed $13,000 (the "CannAscend Loan Amount"). The CannAscend Revolving Loan is evidenced by a

secured promissory note of the Target Companies (the "CannAscend Note Receivable"), which bears interest at the rate of 7% per annum and matures upon the occurrence of any of the following: a) providing notice to the borrower of an event of default; b) 36 months after the last advance made by the lender to borrower as provided in the CannAscend Revolving Loan Agreement, or c) 90 days after the termination of the CannAscend Option Agreement. As of December 31, 2020, and 2019, the Company recorded a balance of $11,025 and $10,895, respectively, in notes receivable on the consolidated balance sheets related to the balance outstanding from the Target Companies related to the CannAscend Revolving Loan. As of December 31, 2020 and 2019, outstanding interest on the CannAscend Revolving Loan is $645 and $545, respectively, which is recorded as other non-current assets on the consolidated balance sheets.

To secure the obligations of the Target Companies to the Company under the CannAscend Revolving Loan Agreement and the CannAscend Note Receivable, the Company entered into a Security Agreement dated as of October 25, 2018 (the "CannAscend Security Agreement"), pursuant to which the Target Companies granted to the Company a first-priority lien on and security interest in all personal property of the Target Companies.

If the Company does not exercise the CannAscend Option on or prior to the date that is 30 days following the end of the CannAscend Option Period, the CannAscend Loan Amount will be payable to the Company in 90 days.

Corsa Verde Agreement

On April 2, 2019, the Company and Corsa Verde, LLC ("Corsa Verde") entered into a Membership Interest Purchase Agreement (the "Corsa Verde Purchase Agreement"). Corsa Verde is an Ohio-based limited liability company that processes medical marijuana. Under the terms of the Corsa Verde Purchase Agreement, the Company agreed to acquire all outstanding membership interests of Corsa Verde within ten days following the receipt of regulatory approval. The Company received regulatory approval of the change of ownership on April 22, 2021 and closed the acquisition of Corsa Verde on May 4, 2021.

The price for the Corsa Verde Purchase Agreement was approximately $2,747 ("Corsa Verde Purchase Price") consisting of cash consideration of $1,247 and a convertible promissory note (the "Convertible Note") in the amount of $1,500, subject to reduction as provided in the Corsa Verde Purchase Agreement. The Convertible Note is convertible into the number of shares of Company common stock calculated by dividing the principal amount of the Convertible Note by the volume weighted average trading price of the Company common stock on the NEO Exchange for the 5 days preceding the closing date of the transactions contemplated by the Corsa Verde Purchase Agreement. As part of the Corsa Verde Purchase Agreement, the Company deposited funds into the escrow account. As of December 31, 2020 and 2019, the escrow deposit account had a balance of $498 and $1,123, respectively, and is recorded within restricted cash on the consolidated balance sheets as of December 31, 2020 and 2019.

The Company provided a revolving loan to Corsa Verde (the "Revolving Loan"), with the principal amount to not exceed $3,000 (the "Loan Amount"). The Revolving Loan is evidenced by a secured promissory note of Corsa Verde (the "Corsa Verde Note Receivable"), which bears interest at the rate of 7% per annum and matures upon the occurrence of any of the following: a) providing notice to the borrower of an event of default; b) 36 months after the last advance made by the lender to borrower as provided in the Revolving Loan Agreement, or c) 90 days after the termination of the Corsa Verde Purchase Agreement. As of December 31, 2020 and 2019, the Company had a balance of $2,536 and $1,493, respectively, in notes receivable on the consolidated balance sheets related to the balance outstanding on the Revolving Loan. As of December 31, 2020 and 2019, outstanding interest on the Revolving Loan is $149 and $27, respectively, which is included in other non-current assets on the consolidated balance sheets.

To secure the obligations of Corsa Verde to the Company under the Corsa Verde Revolving Loan Agreement and the Corsa Verde Note Receivable, the Company entered into a Security Agreement dated as of April 2, 2019 (the "Corsa Verde Security Agreement"), pursuant to which Corsa Verde granted to the Company a first-priority lien on and security interest in all personal property of Corsa Verde.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

2021 Activity

The Healing Center San Diego (THCSD)

On January 6, 2021, the Company acquired (the "THCSD Transaction") a 100% ownership interest in The Healing Center of San Diego, Inc. ("THCSD").

THCSD was formed in 2016 for the purpose of selling recreational and related cannabis products in San Diego, California, where it owns and operates a dispensary. The Company executed the THCSD Transaction in order to continue to grow revenues; expand its dispensaries; and penetrate the San Diego market.

The aggregate purchase price for the THCSD Transaction, being $14,115 consisted of; $3,425 in cash consideration, $5,718 in promissory notes ("Closing Promissory Notes") and $4,972 in equity purchase consideration ("Closing Shares"). Equity purchase consideration comprised 971,541 Common Shares which were issued on January 6, 2021. The Closing Promissory Notes were issued with a debt discount of $282 and require sixteen quarterly payments of $375 of principal, plus accrued and unpaid interest thereon at a rate of 8.0% per annum, beginning on April 6, 2021, through maturity on December 16, 2024.

The following table summarizes the fair value of total consideration transferred and the fair value of each major class of consideration for the THCSD Transaction:

Consideration transferred	
Cash consideration	$ 3,425
Closing promissory notes	5,718
Closing Shares	4,972
Total unadjusted purchase price	14,115
Less: Cash and cash equivalents acquired	(698)
Total purchase price, net of cash and cash equivalents acquired	$13,417

Recognized amounts of identifiable assets acquired and liabilities assumed, less cash assumed:

Purchase price allocation	
Assets acquired:	
Inventory	$ 597
Prepaid expenses and other current assets	91
Property and equipment	619
Right of use assets	635
Goodwill	4,988
Intangible assets	10,068
Other long term assets	466
Accounts payable	(133)
Accrued expenses and other current liabilities	(260)
Lease liabilities	(635)
Deferred tax liabilities	(3,019)
Consideration transferred	$13,417

The purchase price allocations for the THCSD Transaction reflects various fair value estimates and analyses, which are subject to change within the respective measurement periods. The primary areas of the purchase price allocations that are subject to change relate to the fair values of certain tangible assets, the valuation of intangible assets acquired and residual goodwill. The Company expects to continue to obtain information to assist in determining the fair value of the net assets acquired at each acquisition date during the measurement periods. Measurement period adjustments that the Company determines to be material will be applied retrospectively to the period of acquisition in the Company's consolidated financial statements, and, depending on the nature of the adjustments, other periods subsequent to the period of acquisition could also be affected. The Company expects to finalize the accounting for the THCSD Transaction in 2021.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

The Company determined the estimated fair value of the acquired working capital, and identifiable intangible assets and goodwill after review and consideration of relevant information including discounted cash flow analyses, market data and management's estimates, prepared by an independent valuation firm. The estimated fair value of acquired working capital was determined to approximate carrying value.

For leases acquired, the Company measured the lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The Company measured the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The goodwill arising from the THCSD Transaction consists of expected synergies from combining operations of the Company and Acquiree, and intangible assets not qualifying for separate recognition such as formulations, proprietary technologies and acquired know-how. None of the goodwill will be deductible for tax purposes.

THCSD's state licenses and trade name represented identifiable intangible assets acquired in the amounts of $8,330 and $1,738, respectively, which were each determined to have a definite useful life of 10 years.

In conjunction with the THCSD Transaction, the Company expensed $85 of acquisition-related costs, which have been included in selling, general and administrative expenses on the Company's statement of comprehensive income. THCSD's acquisition-related costs in the amount of $198 were expensed in THCSD's pre-acquisition consolidated financial statements.

Since the closing date of the THCSD Transaction, $2,641 of revenue and $259 of net income of THCSD have been included in the consolidated statement of operations for the three months ended March 31, 2021.

Green Leaf Medical

On June 11, 2021, the Company completed the acquisition of Green Leaf Medical, LLC, a privately held, vertically-integrated cannabis multi-state operator for an upfront consideration of $240,000 comprised of $45,000 in cash and $195,000 in Common Shares with the potential for additional consideration contingent on achievement of certain performance-based milestones in 2022 and 2023.

7. PROPERTY AND EQUIPMENT

Property and equipment and related depreciation are summarized in the table below:

	December 31, 2020	December 31, 2019
Land and buildings	$ 3,757	$ 4,055
Furniture and fixtures	6,970	3,121
Equipment	22,955	13,596
Computers and software	1,986	1,273
Leasehold improvements	98,380	56,900
Construction in process	11,338	41,740
Total property and equipment, gross	145,386	120,685
Less: Accumulated depreciation	(30,986)	(16,651)
Total property and equipment, net	$ 114,400	$ 104,034

COLUMBIA CARE INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 AND DECEMBER 29, 2018
(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

	December 31, 2020	December 31, 2019	December 29, 2018
Total depreciation expense for the year ended	$ 14,891	$ 8,148	$ 4,678
Included in:			
Costs of sales related to inventory production	8,840	4,738	2,705
Selling, general and administrative expenses	6,051	3,410	1,973

A reconciliation of the beginning and ending balances of property and equipment are summarized in the tables below:

	Land and buildings	Furniture and fixtures	Equipment	Computers and software	Leasehold improvements	Construction in process	Total
Cost							
Balance, December 31, 2019	$ 4,055	$ 3,121	$ 13,596	$ 1,273	$ 56,900	$ 41,740	$120,685
Additions	2,766	1,087	2,517	556	12,297	10,577	29,800
Business acquisitions	23	1,466	1,923	219	8,191	648	12,470
Disposals	(3,093)	—	(429)	—	(1,714)	(7,935)	(13,171)
Included in assets held for sale	—	(55)	(376)	(132)	(3,835)	—	(4,398)
Transfers	6	1,351	5,724	70	26,541	(33,692)	—
Balance, December 31, 2020	$ 3,757	$ 6,970	$ 22,955	$ 1,986	$ 98,380	$ 11,338	$145,386

	Land and buildings	Furniture and fixtures	Equipment	Computers and software	Leasehold improvements	Construction in process	Total
Accumulated depreciation							
Balance, December 31, 2019	$ (154)	$ (721)	$ (3,410)	$ (321)	$ (12,045)	$ —	$ (16,651)
Depreciation	(48)	(913)	(3,941)	(359)	(9,630)	—	(14,891)
Disposals	—	—	132	—	9	—	141
Included in assets held for sale	—	8	25	16	366	—	415
Balance, December 31, 2020	$ (202)	$ (1,626)	$ (7,194)	$ (664)	$ (21,300)	$ —	$ (30,986)

	Land and buildings	Furniture and fixtures	Equipment	Computers and software	Leasehold improvements	Construction in process	Total
Cost							
Balance, December 29, 2018	$ 8,000	$ 995	$ 5,292	$ 435	$ 23,371	$ 12,650	$ 50,743
Additions	1,097	427	1,812	318	3,709	82,488	89,851
Disposals	(5,042)	(129)	—	(6)	(12,333)	(2,399)	(19,909)
Transfers	—	1,828	6,492	526	42,153	(50,999)	—
Balance, December 31, 2019	$ 4,055	$ 3,121	$ 13,596	$ 1,273	$ 56,900	$ 41,740	$120,685

	Land and buildings	Furniture and fixtures	Equipment	Computers and software	Leasehold improvements	Construction in process	Total
Accumulated depreciation							
Balance, December 29, 2018	$ (427)	$ (521)	$ (1,798)	$ (164)	$ (8,039)	$ —	$ (10,949)
Depreciation	(144)	(263)	(1,612)	(159)	(5,970)	—	(8,148)
Disposals	417	63	—	2	1,964	—	2,446
Balance, December 31, 2019	$ (154)	$ (721)	$ (3,410)	$ (321)	$ (12,045)	$ —	$ (16,651)

Sale-Leasebacks

During the fourth quarter of 2019, the Company sold five properties located in Massachusetts, California and Illinois for $25,323, which was approximately the properties' cost to the Company. Included in the agreements, the Company is expected to complete tenant improvements related to certain properties, for which the landlords have agreed to provide tenant improvement allowance.

In connection with these sales, the Company entered into lease agreements for all properties. Three properties met the requirements of sale-leaseback treatment whereas the remaining two properties did not meet the requirements, and

consequently are accounted for as financing transactions. The right-of-use lease assets related to the three properties that met the requirements of sale-leaseback treatment were reduced by $2,258 which represents the unretained portion of the assets carrying amounts. The remaining gain associated with these sale-leasebacks was immaterial. As of December 31, 2020 and 2019, the total financial liability associated with property sale transactions that did not meet the criteria for sale-leaseback accounting is $5,709.

During the third quarter of 2020, the Company closed on a sale leaseback transaction in which two properties located in New Jersey sold for $12,385, which was approximately the cost of the properties. Included in the agreement, the Company is expected to complete tenant improvements related to these properties, for which the landlord has agreed to provide a tenant improvement allowance. The right-of-use assets related to these properties were reduced by $360 which represents the unretained portion of the assets carrying amount. The remaining gain associated with this sale-leaseback was immaterial.

2021 Activity

In April 2021, the Company purchased real estate property in New York for cash consideration of $15,687 and 2,545,857 Common Shares in the Company.

8. PROMISSORY NOTES RECEIVABLES

During the year ended December 31, 2019, Focused Health LLC (“Focused Health”), a consolidated subsidiary of the Company, entered into a lease agreement with 9244 Balboa Blvd., LLC (“Balboa”) and simultaneously issued a secured promissory note (“Balboa Note”) with a principal amount of $2,420. The Balboa Note is secured by the land and building of the leased premises and bears interest at a rate of 4.5%. The Company’s principal and interest repayments are offset by the Company’s rent payment obligations under the lease agreement with Balboa. The Balboa Note matures in April 2029. The balance outstanding as of December 31, 2020 and 2019, is $2,329 and $2,384, respectively, of which $58 and $55, respectively, is recorded in prepaid expenses and other current assets, and $2,271 and $2,329, respectively, is recorded in notes receivable-long-term on the consolidated balance sheets.

Refer to Note 6 for other notes receivables.

9. SHAREHOLDERS’ EQUITY

Pre-RTO

Common Units

Prior to the Acquisition Date, Columbia Care LLC was authorized to issue an unlimited number of common units without par value and profit interests. On the Acquisition Date, Columbia Care LLC had 14,639,112 issued and outstanding common units and profit interests (15,482,850 on a fully-diluted basis). On the Acquisition Date, common units and profit interests were converted into common shares and proportionate voting shares.

From December 29, 2018 through the Acquisition Date, the Company had the following equity activity:

- Issued 27,561 common units upon the conversion of principal and accrued interest on convertible debt of $2,537.
- Issued 2,490 common units as unit issuance costs; and
- Warrants were exercised for 159,325 common units at an average per unit price of $0.01 for $2.

Post-RTO

From the Acquisition Date through December 31, 2019, the Company had the following equity activity:

- In connection with the RTO, the Company converted 14,639,112 outstanding common units and profit interests into 34,563,850 common shares and 1,623,372.68 proportionate voting shares. The Company issued 19,077,096 common shares and 5,394,945 warrants with an exercise price of $10.35 (Canadian Dollars) exercisable for five years from the date of issuance to existing shareholders of CGGC with a total fair value of $131,264 (Note 3). The RTO resulted in a listing expense of $11,071. The Company incurred share issuance costs of $5,598 related to the RTO which is recognized as a reduction of share capital.
- On August 6, 2019, the Company completed its acquisition of the remaining minority interest in its Illinois operation. Total consideration consisted of $4,400 of which $2,950 was satisfied by the issuance of 621,239 common shares and the remaining $1,450 is expected to be satisfied during 2021 with the issuance of additional common shares.
- Repurchased and cancelled 236,900 common shares with the use of $1,015 proceeds under the Company's share repurchase program.
- In connection with the RTO and the issuance of Shares to employees, the Company withheld Shares that were previously issued to satisfy certain shareholders' U.S. federal income tax requirements and made a payment on their behalf in the amount of $1,398. As a result, the Company retired 187,147 Shares.

During the year ended December 31, 2020, the Company had the following equity activity:

- On June 18, 2020, the Company completed its acquisition of the remaining minority interest in its Florida operation. Total consideration consisted of $19,301 of which $18,301 was satisfied by the issuance of 7,038,835 common shares and $1,000 in cash.
- On August 12, 2020, 3,845,023 common share warrants were converted to 2,018,298 common shares in a cashless exercise with an exercise price of $2.22. 1,826,723 shares were withheld on the exercise and immediately cancelled.
- On September 1, 2020, the Company completed its acquisition of TGS and issued 32,955,987 common shares on September 1, 2020 and 266,913 common shares on December 21, 2020. See Note 6.
- On September 28, 2020, 174,000 common share warrants were exercised for proceeds of $388.
- On December 2, 2020, the Company completed its acquisition of Project Cannabis and issued 15,713,867 common shares. See Note 6.
- The Company issued 1,852,064 common shares on the vesting of RSU's, including 450,730 which vested in the year ended December 31, 2019. The Company withheld shares to satisfy certain tax withholdings in connection with the vesting of RSUs.

In January 2021, the Company closed a public offering that consisted of 18,572,500 common shares at a price of $8.05 (Canadian Dollars) per common share for net proceeds to the Company of $111,966.

In February 2021, the Company completed a bought deal private placement in which it issued for resale, on a bought deal private placement basis, 3,220,000 common shares at a price of $9.00 (Canadian Dollars) per common share for net proceeds to the Company of 21,770.

Authorized Capital

Authorized share capital of the Company consists of (i) an unlimited number of common shares without par (ii) an unlimited number of proportionate voting shares without par, and (iii) an unlimited number of preferred shares.

The Company's common shares and proportionate voting shares (together, the "Shares") have the same rights and are equal in all respects. The Company treats the Shares as if they were a single class.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

Conversion Rights and Transfers

Issued and outstanding proportionate voting shares, including fractions thereof, may at any time, subject to certain conditions, at the option of the holder, be converted into common shares at a ratio of 100 common shares per proportionate voting share with fractional proportionate voting shares convertible into common shares at the same ratio. Further, the Company's board of directors may determine in the future that it is no longer advisable to maintain the proportionate voting shares as a separate class of shares and may cause all of the issued and outstanding proportionate voting shares to be converted into common shares at a ratio of 100 common shares per proportionate voting share with fractional proportionate voting shares convertible into common shares at the same ratio and the Company shall not be entitled to issue any additional proportionate voting shares thereafter.

The ability to convert proportionate voting shares into common shares is subject to certain conditions in order to maintain the Company's status as a foreign private issuer under U.S. securities laws. Unless otherwise waived by the Company, the right to convert the proportionate voting shares is subject to the condition that the aggregate number of Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Securities Exchange Act of 1934, as amended) may not exceed fifty percent (50%) of the aggregate number of Shares issued and outstanding after giving effect to such conversions.

Rights

Holders of Shares are entitled to one vote on all matters submitted to a vote of the Company's shareholders. Holders of Shares are entitled to receive dividends, as may be declared by the Company's board of directors. As of December 31, 2020, and 2019, no cash dividends had been declared or paid.

The table below details the changes in Shares outstanding by class:

	Common Shares	Proportionate Voting Shares (as converted)	Preferred Shares
Balance, December 29, 2018	—	—	—
Existing unitholders transfer	34,563,850	162,337,268	—
Private placement	19,077,096	—	—
Issuance of shares	473,770	—	—
Minority buyouts	621,239	—	—
Share conversion	62,864,293	(62,864,293)	—
Cancellation of restricted stock awards	—	(119,995)	—
Repurchase of shares	(424,047)	—	—
Balance, December 31, 2019	**117,176,201**	**99,352,980**	**—**
Issuance of shares in connection with acquisitions	48,936,767	—	—
Equity-based awards issued	1,852,064	—	—
Share conversion [(1)]	72,807,752	(72,807,752)	—
Warrants exercised	2,192,298	—	—
Minority buyouts	7,038,835	—	—
Cancellation of restricted stock awards	—	(37,314)	—
Balance, December 31, 2020	**250,003,917**	**26,507,914**	**—**

(1) Includes 3,657,048 time-based restricted Shares ("RSAs") converted to common shares.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

10. WARRANTS

As of December 31, 2020 and 2019, outstanding equity-classified warrants to purchase common shares consisted of the following:

		December 31, 2020		December 31, 2019	
Date Exercisable	Expiration	Number of Shares Issued and Exercisable	Exercise Price (Canadian Dollars)	Number of Shares Issued and Exercisable	Exercise Price (Canadian Dollars)
December 6, 2016	June 6, 2020	—	$ —	3,845,023	$ 2.22
July 1, 2017	July 1, 2020	—	—	1,152,191	5.71
May 8, 2018	May 8, 2021	921,753	5.71	921,753	5.71
October 1, 2018	October 1, 2025	648,783	8.12	648,783	8.12
October 1, 2018	October 1, 2020	—	—	4,855,639	8.12
October 17, 2018	October 17, 2020	—	—	809,272	8.12
November 7, 2018	November 7, 2020	—	—	2,427,818	8.12
June 30, 2019	April 26, 2024	5,394,945	10.35	5,394,945	10.35
March 31, 2020	May 14, 2023	1,610,250	3.10	—	—
April 23, 2020	May 14, 2023	113,000	3.10	—	—
May 14, 2020	May 14, 2023	2,250,188	2.95	—	—
July 2, 2020	May 14, 2023	300,000	4.53	—	—
October 29, 2020	May 14, 2023	1,200,000	5.84	—	—
November 10, 2020	May 14, 2023	504,000	5.84	—	—
November 27, 2020	May 14, 2023	180,000	5.84	—	—
November 30, 2020	May 14, 2023	25,000	5.84	—	—
		13,147,919	$ 6.91	20,055,424	$ 7.34

Warrant activity for the years ended December 31, 2020 and 2019, and December 29, 2018 are summarized in the table below:

	Shares		Units	
	Number of Warrants	Weighted average exercise price (Canadian Dollars)	Number of Warrants	Weighted average exercise price (U.S. Dollars)
Balance as of December 30, 2017	**—**	**$ —**	**664,644**	**$ 24.43**
Issued	—	—	796,485	72.91
Exercised	—	—	(122,416)	0.01
Balance as of December 29, 2018	**—**	**—**	**1,338,713**	**$ 55.50**
Issued	5,394,945	10.35	—	—
Exercised	—	—	(210,858)	22.46
Conversion from warrant units to warrant shares	14,660,479	6.23	(1,127,855)	61.63
Balance as of December 31, 2019	**20,055,424**	**7.34**	**—**	**—**
Issued	6,356,438	3.93	—	—
Exercised	(4,019,023)	2.25	—	—
Expired	(9,244,920)	7.82	—	—
Balance as of December 31, 2020	13,147,919	$ 6.91	—	$ —

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

11. SHARE-BASED PAYMENT ARRANGEMENTS

Omnibus Long-Term Incentive Plan (equity settled)

On April 26, 2019, the Company adopted a long-term incentive plan ("LTIP") to allow for a variety of equity-based awards that provide different types of incentives to be granted to the Company's executive officers, directors, employees and consultants (options, stock appreciation rights ("SARs"), performance share units ("PSUs"), restricted stock units ("RSUs") and deferred share units ("DSUs")). Options, SARs, PSUs, RSUs and DSUs are collectively referred to herein as "Awards". Each Award represents the right to receive common shares and in the case of SARs, PSUs, RSUs and DSUs, common shares or cash, in each case in accordance with the terms of the LTIP.

Under the terms of the LTIP, the Company's board of directors may grant Awards to the Chief Executive Officer and Executive Chairman of the Company and will review and approve the grant of Awards recommended by the Chief Executive Officer to other eligible participants. Participation in the LTIP is voluntary and if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, other than by will or the laws of descent and distribution. The plan has a stated term of ten years and provides that the exercise of stock options granted will not be less than the market price of the Company's common stock on the grant date. The plan does not specify grant dates or vesting schedules of awards as those determinations have been delegated to the delegated committee of the Company's Board of Directors. Each grant agreement reflects the vesting schedule for that particular grant as determined by the Committee. RSU awards currently outstanding generally cliff-vest after a five-year period, vest in equal annual installments over a four-year period or cliff after a three-year period in each case, from the grant date. All outstanding stock options vest over a four-year period with a one-year cliff.

The maximum number of common shares reserved for issuance, in the aggregate, under the LTIP is 10% of the aggregate number of common shares (assuming the conversion of all proportionate voting shares to common shares) issued and outstanding from time to time.

Restricted stock units

Each RSU grant is subject to service-based vesting, where a specific period of continued employment must pass before an award vests. For RSU grants, the expense is measured at the grant date as the fair value of the Company's common stock and expensed as stock-based compensation over the vesting term.

A summary of RSU activity is presented below:

	Shares	Weighted-Average Grant Date Fair Value
Unvested, December 29, 2018	—	$ —
Granted	5,185,357	6.79
Vested	(822,622)	8.22
Forfeited	(18,750)	4.32
Deferred compensation units converted to RSUs	3,488,244	4.00
Unvested, December 31, 2019	7,832,229	5.40
Granted	6,285,973	2.71
Vested	(1,413,863)	8.47
Forfeited	(708,588)	5.21
Unvested, December 31, 2020	11,995,751	$ 3.64

The following table presents information about the Company's RSUs for the period presented:

	Year ended	
(Dollars in thousands)	**December 31, 2020**	**December 31, 2019**
Share-based compensation	$ 16,279	$ 16,542
Common shares issued in connection with RSUs	—	371,892

The following table presents information about the Company's RSUs as of the date presented:

	December 31, 2020	**December 31, 2019**
Unrecognized compensation costs	$ 15,934	$ 21,992
Weighted average period over which compensation cost will be recognized (in years)	2.5	1.8
Maximum term relating to outstanding RSUs (in years)	3.9	4.0
Obligation to issue shares for RSUs vested during the year (in shares)	—	450,730

Performance share units

On April 29, 2019, the Company granted total stockholder return awards ("TSR Awards") that include three-year and five-year market conditions, with corresponding performance measurement periods of three and five years. Vesting of the TSR Awards is based on the Company's level of attainment of specified TSR targets relative to the appreciation of the Company's common shares for the respective three-year and five-year periods and is also subject to the continued employment of the grantees.

Expected volatility is based on the historical volatility of the Company's stock price. The risk-free interest rates are based on quoted U.S. Treasury rates for securities with maturities approximating the awards' expected lives. Expected lives are principally based on the Company's historical exercise experience with previously issued awards. The expected dividend yield is zero as the Company has never paid dividends and does not currently anticipate paying any in the foreseeable future.

The fair value of the TSR Awards was determined using a Monte Carlo Simulation valuation model with the following weighted average inputs:

Expected volatility	70.00%
Expected life (in years)	4.15
Expected dividends	0.00%
Risk-free interest rate	1.55%

During the years ended December 31, 2020 and 2019, the Company also granted PSUs that will vest on the achievement of internal performance targets. The Company monitors the probability of achieving the performance targets on a quarterly basis and may adjust periodic compensation expense accordingly.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

A summary of PSU and TSR activity is presented below:

	Shares	Weighted-Average Grant Date Fair Value
Unvested, December 29, 2018	—	$ —
Granted	5,489,524	5.57
Forfeited	(230,116)	3.54
Unvested, December 31, 2019	5,259,408	5.66
Granted	2,980,751	2.43
Forfeited	(188,341)	7.44
Unvested, December 31, 2020	8,051,818	$ 4.42

The following table presents information about the Company's PSUs and TSR activity:

	Year ended December 31, 2020	December 31, 2019
Share-based compensation	$ 8,944	$ 5,320

The following table presents information about the Company's PSUs and TSR as of the date presented:

	December 31, 2020	December 31, 2019
Unrecognized compensation costs	$ 19,954	$ 24,888
Weighted average period over which compensation cost will be recognized (in years)	2.5	3.3
Maximum term relating to outstanding PSUs and TSRs (in years)	3.3	4.3

Stock Options

The fair value of each stock option is estimated using the Black-Scholes option pricing model. The weighted average of inputs used in the measurement of the grant date fair value of the stock options for the year ended December 31, 2020, are summarized in the table below:

Fair value at grant date (Canadian Dollars)	$10.90
Strike price at grant date (Canadian Dollars)	$10.90
Expected volatility	70.00%
Expected life (in years)	6.25
Expected dividends	0.00%
Risk-free interest rate	1.59%

Expected volatility is based on the historical volatility of the Company's stock price. The risk-free interest rates are based on quoted U.S. Treasury rates for securities with maturities approximating the awards' expected lives. Expected lives are principally based on the Company's historical exercise experience with previously issued awards. The expected dividend yield is zero as the Company has never paid dividends and does not currently anticipate paying any in the foreseeable future.

Stock option awards under the LTIP are granted with an exercise price equal to the fair value of the Company's common stock at the date of grant. All option awards have a ten-year contractual term and vest over four years.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

A summary of option activity for the years ended December 31, 2020 and 2019 is presented below:

	Stock Options	Weighted-Average Exercise Price (Canadian Dollars)	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding, December 29, 2018	—	—	—	$ —
Granted	55,384	10.90	—	—
Outstanding, December 31, 2019	55,384	10.90	3.3	—
Outstanding, December 31, 2020	55,384	10.90	2.3	$ —
Exercisable as of December 31, 2020	13,846	10.90	2.3	—

For the years ended December 31, 2020 and 2019, the equity-based compensation expense related to stock options issued was $98 and $107, respectively. No options are exercisable as of December 31, 2020 and December 31, 2019.

Common Shares

During the year ended December 31, 2019, the Company granted 101,878 common shares to employees and consultants. These common shares vested in the year ended December 31, 2019. Equity-based compensation related to common shares issued was $453 for the year ended December 31, 2019.

Unit programs (equity settled)

In May 2016, the Company adopted the Capital Accumulation Plan (“the CAP Plan”), which provided employees and operating partners with a mechanism to participate in increases in value of the Company.

Grants of CAP units contained a unit of equity which participates in proceeds from liquidation or sale of the Company beyond a “threshold amount”, which is similar to a strike price for a stock option. The Company utilized a third-party expert to determine the equity value of the Company. The threshold amount stated in grants of CAP units was determined by estimating the liquidation value of the Company at the grant date. As a result, holders of vested CAP units could receive value equal to the difference between: (i) the future value of the Company; and (ii) the threshold amount. The fair value of each CAP Unit is estimated on the day of grant using the Black-Scholes option pricing model. The range of inputs used in the measurement of the grant date fair value of the CAP Units were as follows:

Fair value at grant date (Canadian Dollars)	$82.24 - 87.61
Strike price at grant date (Canadian Dollars)	$38.37 - 80.31
Expected volatility	70.00%
Expected life (in years)	6.25
Expected dividends	0.00%
Risk-free interest rate	2.7 -3.0%

As the Company was a private company, there was no active market for trading in its common units. Therefore, Company-specific historical and implied volatility information was not available. The expected volatility of the Company’s equity instruments was estimated based on the historical volatility of a set of publicly traded peer companies. The expected term was estimated as the mid-point between the requisite service period and the end of the contractual term of the option. The risk-free interest rate was determined by reference to the US treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield was based on the fact the Company had never paid cash dividends and did not expect to pay any cash dividends in the foreseeable future.

The Company did not grant any CAP units during the years ended December 31, 2020 and 2019.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

As of the Acquisition Date, holders of CAP units received replacement stock-based awards. The CAP units were converted into RSAs based on the intrinsic value of the Company if it was liquidated at the close of business. The value of the replacement stock-based awards was designed to generally preserve the intrinsic value of the replaced awards immediately prior to the merger. Such RSAs remain subject to the same continuing restrictions applicable to the original CAP units. The Company did not recognize any incremental expense in connection with the conversion of CAP units to RSAs.

The number of units outstanding under the CAP Plan were as follows:

	Units	Weighted-Average Threshold Amount
Unvested, December 30, 2017	143,641	$ 34.01
Units granted	582,886	52.19
Units forfeited	(84,979)	37.63
Unvested, December 29, 2018	641,548	51.05
Units forfeited	(3,336)	67.49
Units converted to RSAs	(638,212)	50.96
Unvested, December 31, 2019	—	$ —
Unvested, December 31, 2020	—	$ —

A summary of RSA activity for the years ended December 31, 2020 and 2019 is presented below:

	Shares	Weighted-Average Grant Date Fair Value
Unvested, December 29, 2018	—	$ —
CAP units converted to RSAs	4,541,835	7.63
Forfeited	(119,995)	11.11
Unvested, December 31, 2019	4,421,840	7.54
Forfeited	(37,314)	13.87
Converted to common shares	(3,657,048)	7.54
Unvested, December 31, 2020	727,478	$ 7.19

The following table presents information about the Company's CAP and RSA activity as of the date presented:

	Year ended		
	December 31, 2020	December 31, 2019	December 29, 2018
Share-based compensation	$ 4,484	$ 10,481	$ 13,112

The following table presents information about the Company's CAP and RSA as of the date presented:

	December 31, 2020	December 31, 2019
Unrecognized compensation costs	$ 1,845	$ 6,317
Weighted average period over which compensation cost will be recognized (in years)	1.1	1.5
Maximum term relating to outstanding CAP and RSAs (in years)	1.8	2.8

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

Unit programs (liability settled)

In May 2016, the Company adopted the Income Incentive Plan ("the IIP Plan"), which provides deferred compensation to designated employees and operating partners (the "IIP units").

IIP units represented a right to receive a payment, subject to dilutive effect of equity issuances, in the future equal to the lesser of the Company's liquidation value based on the lower of: (i) value on the date of a qualifying sale of the Company or (ii) value on the date that the IIP unit is granted (the "IIP Grant Date").

The initial recognition and measurement of the IIP units were based on the Company's liquidation value per outstanding common unit as of the IIP Grant Date. Until payment of the IIP units, adjustments would be made each reporting period for any changes in the Company's liquidation value, only if the Company's liquidation value was less than its liquidation value on the IIP Grant Date.

The Company generally relied on the analyses performed by third-party experts to determine the value of the Company, in order to determine the Company's liquidation values.

In September 2019, holders of IIP units received replacement stock-based units ("RSU"). In September 2019, The IIP units were converted into RSUs based on the intrinsic value of the Company, as if it was liquidated at the Acquisition Date. The value of the RSUs was designed to generally preserve the intrinsic value of the replaced awards immediately prior to the conversion. Such RSUs remain subject to the same continuing restrictions applicable to the original IIP units. The Company did not recognize any incremental expense in connection with the conversion of IIP units to RSUs. Upon the conversion the Company reclassified deferred compensation of $15,308 into shareholders' equity.

Each RSU grant is subject to service-based vesting, where a specific period of continued employment must pass before an award vests.

The number of units outstanding under the IIP Plan are summarized in the table below:

	Units	Weighted-Average Liquidation Value
Unvested, December 30, 2017	143,641	$ 34.01
Units granted	570,615	52.66
Units forfeited	(84,979)	37.63
Unvested, December 29, 2018	629,277	51.29
Units forfeited	(23,612)	61.98
Units converted to RSUs	(605,665)	50.87
Unvested, December 31, 2019	—	$ —
Unvested, December 31, 2020	—	$ —

Deferred compensation expense related to the Company's IIP units was $5,502 and $5,503 for the years ended December 31, 2019 and December 29, 2018, respectively.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

12. INCOME TAXES

The tax provision amounts recognized in the consolidated statements of operations and comprehensive loss summarized in the table below:

	Year Ended		
	December 31, 2020	December 31, 2019	December 29, 2018
Current tax expense			
Federal	$ 3,979	$ 1,078	$ 1,987
State	822	397	606
Total current tax expense	4,801	1,475	2,593
Deferred tax expense (benefit)			
Foreign	(2,289)	(595)	246
Federal	(8,897)	(6,463)	104
State	(1,400)	(3,746)	—
Total deferred tax expense (benefit)	(12,586)	(10,804)	350
Change in Valuation Allowance - US	(10,701)	10,237	—
Change in Valuation Allowance - Foreign	2,289	595	—
Provision for income taxes	$ (16,197)	$ 1,503	$ 2,943

The Company's provision for income taxes differs from applying the U.S. federal income tax rate to income before taxes primarily due to state income taxes, certain stock compensation, warrants accretion, tax credits and miscellaneous permanent differences.

A reconciliation of the U.S. federal statutory income tax rate to the Company's effective income tax rate is provided in the table below:

	Year Ended					
	December 31, 2020		December 31, 2019		December 29, 2018	
Loss before provision for income taxes	$(135,846)		$(99,671)		$(45,332)	
Tax using the company's domestic tax rate	(28,540)	21.0%	(23,195)	23.3%	(9,520)	21.0%
Tax effect of:						
State taxes, net of federal benefits	(273)	0.2%	(2,639)	2.6%	748	(1.7)%
Non-deductible partnership income	2,601	(1.9)%	6,088	(6.1)%	8,451	(18.6)%
Non-deductible expenses	19,346	(14.2)%	9,646	(9.7)%	3,064	(6.8)%
Share-based compensation	2,125	(1.6)%	1,221	(9.0)%	—	—
Change in tax status	291	(0.2)%	(173)	(8.0)%	—	—
Other	(1,035)	0.8%	242	(0.2)%	454	(1.0)%
Recognition of previously unrecognized (derecognition of previously recognized) deductible temporary differences	(10,712)	7.9%	10,313	(10.3)%	(254)	0.6%
	$ (16,197)	11.9%	$ 1,503	(1.5)%	$ 2,943	(6.5)%

Section 280E of the Internal Revenue Code ("IRC") prohibits businesses engaged in the trafficking of Schedule I or Schedule II controlled substances from deducting normal business expenses, such as payroll and rent, from gross income (revenue less cost of goods sold). Section 280E was originally intended to penalize criminal market operators, but because cannabis remains a Schedule I controlled substance for Federal purposes, the IRS has subsequently applied Section 280E to state-legal cannabis businesses. Cannabis businesses operating in states that align their tax codes with the IRC are also unable to deduct normal business expenses from their state taxes. The non-deductible expenses shown in the effective rate reconciliation above is comprised primarily of the impact of applying IRC Sec. 280E to the Company's businesses that are involved in selling cannabis, along with other typical non-deductible expenses such as lobbying expenses.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

Changes in the Company's deferred taxes for the years ended December 31, 2020 and 2019 are summarized in the table below:

	Year Ended		
	December 31, 2020	December 31, 2019	December 29, 2018
Deferred Tax Assets			
Net Operating Loss Carryforwards	$ 3,244	$ 710	$ 626
Stock Based Compensation	12,695	10,460	—
Capitalized Expenses	2,381	1,567	—
Reserves	3,217	—	38
Right of Use Assets	25,995	13,910	—
Sale Leaseback	1,448	1,648	—
Other Assets	2,137	249	—
Gross Deferred Tax Assets	51,117	28,544	664
Valuation Allowance	(3,046)	(11,458)	(626)
Total Deferred Tax Assets, net	48,071	17,086	38
Deferred Tax Liabilities			
Property, Plant and Equipment	(1,664)	(2,222)	—
Intangibles	(21,742)	—	—
Accruals	—	(816)	—
Right of Use Liabilities	(25,644)	(13,801)	—
Other Liabilities	(1,368)	(236)	—
Gross Deferred Tax Liabilities	$ (50,418)	$ (17,075)	$ —
Net Deferred Tax Liabilities	$ 2,347	$ —	$ —
Net Deferred Tax Assets	$ —	$ 11	$ 38

Future realization of the tax benefits of existing temporary differences and net operating loss carryforwards ultimately depends on the existence of sufficient taxable income within the carryforward period. The Company evaluates the realization of deferred tax assets separately by jurisdiction. The Company has recognized a valuation allowance in its foreign jurisdictions as it is more likely than not that these assets primarily consisting of net operating loss carryforwards will not be realized. Additionally, during the year ended December 31, 2020, based on expected future taxable income, the Company released the valuation allowance recorded against its net deferred tax assets within the United States.

As of December 31, 2020, the Company has $21,492 of gross state net operating loss carryforwards which expire at various dates through 2040. Additionally, the Company has $11,457 in foreign net operating loss carryforwards of which $10,648 expire at various dates through 2040 and $809 do not expire.

Under Internal Revenue Code Section 382, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change NOL carryforwards and other pre-change tax attributes to offset its post-change income may be limited. The Company has not completed a study to assess whether an "ownership change" has occurred or whether there have been multiple ownership changes since the Company became a "loss corporation" as defined in Section 382. Future changes in ownership of our common units, which may be outside of the Company's control, may trigger an "ownership change." In addition, future equity offerings or acquisitions that have equity as a component of the purchase price could result in an "ownership change." If an "ownership change" has occurred or does occur in the future, utilization of the NOL carryforwards or other tax attributes may be limited, which could potentially result in increased future tax liability to the Company.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

The calculation of the Company's tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations for both federal, state and foreign jurisdictions in which the Company operates.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state and foreign jurisdictions, where applicable. The Company's tax years are still open under statute from December 31, 2017, to the present. The summary below presents the expected the effect of unrecognized tax benefits that the resolution of tax matters will have on the Company's consolidated financial statements. The current year increase is the result of historical positions taken from one of the businesses acquired during the year ended December 31, 2020. The reserve was recorded to goodwill as of the acquisition date.

Balance as of December 29, 2018	$ —
Increases (Decreases) for current year	—
Increases (Decreases) for prior years	—
Settlements	—
Reductions for Expiration of Statute of Limitations	—
Balance as of December 31, 2019	—
Increases (Decreases) for current year	—
Increases (Decreases) for prior years	5,221
Settlements	—
Reductions for Expiration of Statute of Limitations	—
Balance as of December 31, 2020	$5,221

13. EARNINGS PER SHARE

Basic and diluted net loss per share attributable to the Company was calculated as follows:

	Year Ended		
	December 31, 2020	December 31, 2019	December 29, 2018
Numerator:			
Net loss	$ (119,649)	$ (101,174)	$ (48,275)
Less: Net loss attributable to non-controlling interest	(23,862)	(4,909)	(1,255)
Net loss attributable to shareholders	$ (95,787)	$ (96,265)	$ (47,020)
Denominator:			
Weighted average shares outstanding - basic and diluted	232,576,117	209,992,187	167,599,871
Loss per share - basic and diluted	$ (0.41)	$ (0.46)	$ (0.28)

Certain share based equity awards were excluded from the computation of dilutive loss per share because inclusion of these awards would have had an anti-dilutive effect. The following table reflects the awards excluded.

	Year Ended		
	December 31, 2020	December 31, 2019	December 29, 2018
Warrants	13,147,919	20,055,424	17,401,261
Options	55,384	55,384	—
Convertible Debt	6,670,449	—	—
RSUs	11,995,751	5,259,408	—
PSUs and TSRs	8,051,818	7,832,229	—
	39,921,321	33,202,445	17,401,261

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

Prior periods have been converted into post-merger Shares for comparability.

14. LEASING ACTIVITIES

The Company leases its facilities under operating leases that provide for the payment of real estate taxes and other operating costs in addition to normal rent. The Company's real estate leases typically have terms of 1 to 15 years. Certain leases include extension options exercisable from one to five years before the end of the cancellable lease term. The Company typically leases equipment and vehicles with standard lease terms of 3 to 5 years. Expenses recognized relating to short-term leases and leases of low value during the years ended December 31, 2020 and 2019 were immaterial.

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	December 31, 2020	December 31, 2019
Weighted Average Remaining Lease Term		
Operating leases	14.4 years	12.7 years
Finance leases	16.5 years	—
Weighted Average Discount Rate		
Operating leases	7.02%	7.03%
Finance leases	7.05%	—

The maturities of lease liabilities as of December 31, 2020 were as follows:

	Operating	Finance
Year Ending December 31:		
2021	$ 17,791	$ 6,505
2022	18,252	6,377
2023	17,557	6,344
2024	16,548	6,301
2025	14,572	6,068
Thereafter	159,303	82,517
Total lease payments	244,023	114,112
Less: interest	(97,854)	(49,603)
Present value of lease liabilities	$146,169	$ 64,509

The following summarizes the line items in the income statements which include the components of lease expense for the years ended:

	December 31, 2020	December 31, 2019
Operating lease expense	$ 16,225	$ 8,282
Included in		
Cost of sales	8,839	3,908
Selling, general and administrative expenses	7,386	4,374
Finance lease costs:	$ 2,785	$ —
Amortization of lease assets included in cost of sales	759	—
Amortization of lease assets included in selling, general and administrative costs	537	—
Interest on lease liabilities included in interest (expense) income, net	1,489	—
Total lease costs	$ 19,010	$ 8,282

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

The following summarizes cash flow information related to leases for the year ended December 31:

	December 31, 2020	December 31, 2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 14,630	$ 7,655
Operating cash flows from finance leases	$ 1,475	$ —
Financing cash flows from finance leases	$ 734	$ —
Lease assets obtained in exchange for lease obligations:		
Operating leases	$ 38,008	$ 89,196
Finance leases	$ 2,924	$ —
Lease assets obtained in business acquisitions		
Operating leases	$ 34,057	$ —
Finance leases	$ 48,736	$ —

15. COMMITMENTS AND CONTINGENCIES

Defined contribution plan

In 2020, the Company instituted a qualified 401(k) plan (the "401(k) Plan") for its U.S. employees. The 401(k) Plan covers U.S. employees who meet certain eligibility requirements. Under the terms of the 401(k) Plan, the employees may elect to make contributions through payroll deductions within statutory and plan limits, and the Company may elect to make non-elective discretionary contributions. The Company may also make optional contributions to the 401(k) Plan for any plan year at its discretion.

Expense recognized by the Company for matching contributions made to the 401(k) Plan was $191 for year ended December 31, 2020.

Indemnification agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners, and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors and senior management that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. Other than the accrual mentioned in the following paragraph, the Company has not incurred any material costs as a result of such indemnifications. Other than the accrual mentioned in the following paragraph, the Company does not believe that the outcome of any claims under indemnification arrangements will have a material effect on its financial position, results of operations or cash flows, and it has not accrued any liabilities related to such obligations in its consolidated financial statements.

Legal

A former minority owner of the Company's Florida-licensed business, Sun Bulb Company, Inc. ("Sun Bulb"), was sued by a former purported joint venture partner, alleging various statutory and common law claims related to the terminated joint venture. The Company had agreed to indemnify Sun Bulb for litigation costs and any judgment rendered in the matter, in excess of $750. On January 20, 2021, following an arbitration hearing, the arbitration panel issued a partial final award in the former joint venture partner's favor on three of the 11 claims asserted and awarded the former joint venture partner $10,553 plus prejudgment interest from July 26, 2017 through the present, as well as reasonable

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

attorneys' fees. On March 2, 2021, the Panel issued a Final Award, awarding the former joint venture partner a total of $15,195, inclusive of prejudgment interest and attorneys' fees. The Company expects a demand for indemnification to be made by Sun Bulb, pursuant to the indemnification agreement. During the year ended December 31, 2020, the Company recorded an additional indemnification expense of $14,195, and as of December 31, 2020, the Company had a total accrual of $15,195 in the respect of this matter.

Additionally, the Company may be contingently liable with respect to other claims incidental to the ordinary course of its operations. Based on its consultation with legal counsel, The Company does not believe that the ultimate outcome of such other matters will have a materially adverse effect on the Company. Accordingly, no provision has been made in these condensed interim consolidated financial statements for losses, if any, which might result from the ultimate disposition of these matters should they arise.

16. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Fair Value Measurements

The following table presents the fair value of those liabilities that are measured on a recurring basis as of December 31, 2020 and 2019:

	Level 1	Level 2	Level 3	Total
December 31, 2020				
Derivative liability	$ —	$ —	$(17,109)	$(17,109)
Total	$ —	$ —	$(17,109)	$(17,109)
December 31, 2019	$ —	$ —	$ —	$ —

During the period included in these financial statements, there were no transfer of amounts between levels. For fair value measurements of assets and liabilities that are done on a non-recurring basis, refer to Note 18.

The following table summarizes the valuation techniques and key inputs used in the fair value measurement of level 3 financial instruments:

Financial asset/financial liability	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Derivative liability	Market approach	Conversion Period	Increase or decrease in conversion period will result in an increase or decrease in fair value

The carrying amounts of cash and restricted cash, accounts receivable, deposits and other current assets, accounts payable, accrued expenses and other current liabilities like interest payable and payroll liabilities and short-term debt as of December 31, 2020 and 2019 approximate their fair values because of the short-term nature of these items and are not included in the table above.

In addition to the disclosures for assets and liabilities required to be measured at fair value at the balance sheet date, companies are required to disclose the estimated fair values of all financial instruments, even if they are not presented at their fair value on the consolidated balance sheet. The fair values of financial instruments are estimates based upon market conditions and perceived risks as of December 31, 2020 and 2019. These estimates require management's judgment and may not be indicative of the future fair values of the assets and liabilities.

Financial assets and liabilities for which the carrying values approximate their fair values include cash and cash equivalents, restricted cash, accounts receivable included within prepaid expenses and other assets, dividends payable and accrued liabilities and other payables. Generally, these assets and liabilities are short term in duration and their carrying value approximates fair value on the consolidated balance sheets.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

17. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets consist of the following:

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Cost					
As of December 29, 2019	$ —	$16,235	$ —	$ —	$ 16,235
Business acquisitions	137,759	51,958	33,043	3,286	226,046
Balance of December 31, 2020	$137,759	$68,193	$ 33,043	$ 3,286	$242,281

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Accumulated Amortization					
As of December 31, 2019	$ —	$ (540)	$ —	$ —	$ (540)
Amortization	—	(2,556)	(1,028)	(56)	(3,640)
Balance of December 31, 2020	$ —	$(3,096)	$ (1,028)	$ (56)	$(4,180)

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Cost					
As of December 31, 2018	$ —	$16,235	$ —	$ —	$16,235
Business acquisitions	—	—	—	—	—
Balance of December 29, 2019	$ —	$16,235	$ —	$ —	$16,235

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Accumulated Amortization					
As of December 29, 2018	$ —	$ —	$ —	$ —	$ —
Amortization	—	(540)	—	—	(540)
Balance of December 31, 2019	$ —	$ (540)	$ —	$ —	$(540)

	Licenses	Trademarks	Customer Relationships
Amortization Method	Straight-Line	Straight-Line	Straight-Line

The below table summarizes the estimated aggregate amortization expense expected to be recognized on the above intangibles:

	Amount
Future estimated amortization expense:	
2021	$10,680
2022	10,680
2023	10,680
2024	10,680
2025	10,624
2026 and thereafter	45,912
Total	$99,256

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

During the year ended December 31, 2019, the Company changed the estimated useful life of a license to operate a dispensary in the state of Florida from an indefinite life to 15 years. The change in estimate was determined in connection with a review of the regulatory environment in Florida and industry peers. The Company recorded amortization expense on its intangible assets of $3,640 and $540, respectively, during the years ended December 31, 2020 and 2019. Refer to Note 6 for details of purchase price allocations to intangible assets as a result of the acquisitions during the year ended December 31, 2020.

18. ASSETS HELD FOR SALE

During the second quarter of 2020, the Company committed to a plan to sell its Puerto Rico operations. Accordingly, certain of the assets and liabilities held by the Company's Puerto Rico subsidiary are presented as a disposal group held for sale on the consolidated balance sheet as of December 31, 2020. Efforts to sell the disposal group have started and a sale is expected in 2021. This planned disposal did not represent a strategic shift of the Company that had or will have a major effect on the Company's operations and financial results. Accordingly, Puerto Rico operations were not segregated and were presented as continuing operations in the consolidated statements of operations and comprehensive loss for the years ended December 31, 2020 and 2019 and December 29, 2018. Impairment losses of $1,969 for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been included in other (expense) income, net in the consolidated statements of operations and comprehensive loss. The impairment losses have been applied to reduce the carrying amount of property, plant and equipment within the disposal group. As of December 31, 2020, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

Property, plant and equipment	$ 2,014
Right-of-use assets	1,435
Prepaid expenses and other current assets	34
Assets held for sale	$ 3,483
Lease liabilities	$(1,483)
Liabilities held for sale	$(1,483)

The non-recurring fair value measurement for the disposal group of $2,000 has been categorized as a Level 3 fair value utilizing Level 3 inputs and using a market approach, based on available data for transactions in the region and discussions with potential acquirers.

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

19. OTHER (EXPENSE) INCOME, NET

For the years ended December 31, 2020 and 2019, and December 29, 2018, other (expense) income, net is summarized in the table below:

	December 31, 2020	December 31, 2019	December 29, 2018
Indemnification expense (Note 15)	$ (14,195)	$ —	$ —
TGS earnout adjustment (Note 6)	(21,757)	—	—
Loss on disposal group (Note 18)	(1,969)	—	(442)
Settlement income	—	—	5,000
Gain on deconsolidation of investment (Note 2)	720	—	—
(Loss) gain on disposal of assets, net	(787)	2,152	—
Gain on lease termination	301	—	—
Foreign exchange (loss) gain, net	(11)	835	—
Other	145	5	(25)
Total other (expense) income, net	$ (37,553)	$ 2,992	$ 4,533

20. NON-CONTROLLING INTERESTS

The non-controlling interests of the Company for each affiliate before intercompany elimination are summarized in the tables below:

Summarized balance sheet	Venture Forth	Columbia Care Arizona-Tempe	Columbia Care Delaware	Columbia Care Puerto Rico	Columbia Care Maryland	Columbia Care Florida	Columbia Care Eastern Virginia	Columbia Care International HoldCo	Columbia Care New Jersey	Access Bryant	Leafy Greens	Columbia Care Ohio	Columbia Care Missouri	Total
	December 31, 2020													
Current assets	$ 1,231	$ 2,709	$ 4,158	$ 3,648	$ 464	$ 8,204	$ 259	384	2,318	364	$ 11	$ 2,597	$ 259	$ 26,606
Current liabilities	(1,166)	(50)	(433)	(1,573)	(186)	(5,017)	(404)	(505)	(390)	(235)	(44)	(368)	(404)	(10,775)
Current net assets (liabilities)	65	2,659	3,725	2,075	278	3,187	(145)	(121)	1,928	129	(33)	2,229	(145)	15,831
Non-current assets	1,956	696	11,005	—	1,247	62,994	17,102	5,707	26,304	613	906	14,368	17,102	160,000
Non-current liabilities	(17,114)	(1,634)	(17,396)	(9,146)	(2,932)	(80,629)	(19,674)	(1,590)	(31,877)	(482)	(948)	(20,478)	(19,674)	(223,574)
Non-current net assets (liabilities)	(15,158)	(938)	(6,391)	(9,146)	(1,685)	(17,635)	(2,572)	4,117	(5,573)	131	(42)	(6,110)	(2,572)	(63,574)
Accumulated NCI	$(17,688)	$ 273	$ —	$ (3,606)	$ (56)	$ —	$ (134)	$ 5,472	$ (177)	$ (2)	$ —	$ (3,880)	$ (77)	$ (19,875)

Summarized balance sheet	Venture Forth	Columbia Care Arizona-Tempe	Columbia Care Delaware	Columbia Care Puerto Rico	Columbia Care Maryland	Columbia Care Florida	Columbia Care Eastern Virginia	Columbia Care International HoldCo	Columbia Care New Jersey	Access Bryant	Leafy Greens	Total
	December 31, 2019											
Current assets	$ 1,031	$ 5,840	$ 3,332	$ 402	$ 207	$ 6,678	$ 47	$ —	$ —	—	$ 315	$ 17,852
Current liabilities	(960)	(183)	(1,728)	(358)	(150)	(4,446)	(5,176)	—	—	—	(13)	(13,014)
Current net assets (liabilities)	71	5,657	1,604	44	57	2,232	(5,129)	—	—	—	302	4,838
Non-current assets	2,472	596	13,524	5,802	1,628	58,171	12,445	—	—	—	—	94,638
Non-current liabilities	(11,437)	(1,628)	(16,079)	(8,801)	(2,357)	(52,227)	(8,136)	—	—	—	—	(100,665)
Non-current net assets (liabilities)	(8,965)	(1,032)	(2,555)	(2,999)	(729)	5,944	4,309	—	—	—	—	(6,027)
Accumulated NCI	$ (2,659)	$ 563	$ (221)	$ (1,507)	$ (27)	$ 1,479	$ (32)	$ —	$ —	$ —	$ (99)	$ (2,503)

(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

The net change in the non-controlling interests is summarized in the table below:

	Venture Forth	Curative Health	Curative Health Cult.	Columbia Care Arizona-Tempe	Columbia Care Delaware	Columbia Care Puerto Rico	Columbia Care Maryland	Columbia Care Florida	Columbia Care East Virginia	Columbia Care International HoldCo	Columbia Care New Jersey	Access Bryant	Leafy Greens	Columbia Care Ohio	Columbia Care Missouri	Total
Balance, December 29, 2018	**$ (2,551)**	**$ (709)**	**$ (832)**	**$ 500**	**$ (138)**	**$ (49)**	**$ (6)**	**$ 4,331**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 546**
Net income (loss) attributable to NCI	(108)	(111)	(208)	63	(83)	(1,458)	(21)	(2,852)	(32)	—	—	—	(99)	—	—	(4,909)
Other adjustments	—	820	1,040	—	—	—	—	—	—	—	—	—	—	—	—	1,860
Balance, December 31, 2019	**$ (2,659)**	**$ —**	**$ —**	**$ 563**	**$ (221)**	**$ (1,507)**	**$ (27)**	**$ 1,479**	**$ (32)**	**$ —**	**$ —**	**$ —**	**$ (99)**	**$ —**	**$ —**	**$ (2,503)**
Net income (loss) attributable to NCI	(15,029)	—	—	(290)	221	(2,099)	(29)	(2,240)	$ (102)	(37)	(177)	(2)	(121)	(3,880)	(77)	(23,862)
Other adjustments	—	—	—	—	—	—	—	761	—	5,509	—	—	220	—	—	6,490
Balance, December 31, 2020	**$(17,688)**	**$ —**	**$ —**	**$ 273**	**$ —**	**$ (3,606)**	**$ (56)**	**$ —**	**$ (134)**	**$ 5,472**	**$ (177)**	**$ (2)**	**$ —**	**$ (3,880)**	**$ (77)**	**$(19,875)**

During the year ended December 31, 2020, Columbia Care International Holdco LLC, a consolidated subsidiary of the Company, issued membership interests of five percent to an unrelated party in consideration for $5,509. In April 2021, the Company issued 783,805 common shares to the unrelated party in full settlement of their consideration for $5,509.

Leafy Greens Inc, a subsidiary that was consolidated by the Company as of December 31, 2019, issued membership interests to an unrelated party for a consideration of $1,000, resulting in loss of control by the Company. Refer to Note 2 for details of the transaction.

21. VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Year	Charged to income	Acquired through business combinations	Deductions from reserve	Other adjustments	Balance at Beginning of Year
Allowance for doubtful accounts, including credit card reserves						
Year ended December 31, 2020	$ 53	$ 134	$ 1,865	$ —	$ —	$ 2,052
Year ended December 31, 2019	$ 9	44	$ —	$ —	$ —	$ 53

22. SUBSEQUENT EVENTS

The Company has evaluated all events and transactions that occurred after December 31, 2020 through the filing of these audited annual financial statements. The Company completed certain business acquisitions in the year 2021 through the issuance of this Form 10 as described in the Acquisitions footnote of the condensed consolidated interim financial statements for the three and nine month ended September 30, 2021. The condensed consolidated interim financial statements for the three and nine month ended September 30, 2021 also include other events occurring in the year 2021 through the issuance of this Form 10. Certain subsequent events noted in these audited annual financial statements include real estate purchase as described in Note 7, subsequent issuance of equity as described in Note 5, Note 9 and Note 20, and the resolution of a legal matter as described in Note 15. With the exception of these events, no events have occurred that would require adjustment to the disclosures in these audited annual consolidated financial statements.

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

COLUMBIA CARE INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(expressed in thousands of U.S. dollars, except share data)

	September 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash	$ 116,931	$ 61,111
Accounts receivable, net of allowances of $1,925 and, $2,053, respectively	13,024	7,415
Inventory	83,439	54,804
Prepaid expenses and other current assets	42,546	11,430
Assets held for sale	—	3,483
Total current assets	255,940	138,243
Property and equipment, net	258,730	114,400
Right of use assets - operating leases, net	172,864	143,050
Right of use assets - finance leases, net	64,760	50,105
Goodwill	306,294	137,759
Intangible assets, net	266,473	100,342
Other non-current assets	56,059	43,628
Total assets	1,381,120	727,527
Liabilities and Equity		
Current liabilities:		
Accounts payable	44,515	18,466
Accrued expenses and other current liabilities	135,571	42,860
Income tax payable	28,689	2,386
Contingent consideration	55,783	48,202
Current portion of lease liability - operating leases	8,651	7,913
Current portion of lease liability - finance leases	4,364	2,023
Current portion of long-term debt, net	1,903	8,439
Derivative liability	—	17,109
Liabilities held for sale	—	1,483
Total current liabilities	279,476	148,881
Long-term debt, net	138,108	76,090
Deferred taxes	31,867	2,347
Long-term lease liability - operating leases	168,954	138,256
Long-term lease liability - finance leases	69,698	62,486
Contingent consideration	45,173	—
Derivative liability	13,321	—
Other long-term liabilities	72,878	12,518
Total liabilities	819,475	440,578
Commitments and contingencies		
Stockholders' Equity:		
Common Stock, no par value, unlimited shares authorized as of September 30, 2021 and December 31, 2020, respectively, 350,634,738 and 250,003,917 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively	—	—
Preferred Stock, no par value, unlimited shares authorized as of September 30, 2021 and December 31, 2020, respectively, none issued and outstanding as of September 30, 2021 and December 31, 2020	—	—
Proportionate voting shares, no par value, unlimited shares authorized as of September 30, 2021 and December 31, 2020, respectively; 14,786,187 and 26,507,914 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively	—	—
Additional paid-in-capital	1,000,908	632,062
Accumulated deficit	(415,060)	(325,238)
Equity attributable to Columbia Care Inc.	585,848	306,824
Non-controlling interest	(24,203)	(19,875)
Total equity	561,645	286,949
Total liabilities and equity	$ 1,381,120	$ 727,527

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

COLUMBIA CARE INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)
(expressed in thousands of U.S. dollars, except for number of shares and per share amounts)

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Revenues, net of discounts	$ 132,322	$ 48,703	$ 320,804	$ 103,439
Cost of sales related to inventory production	(69,525)	(30,724)	(181,120)	(68,636)
Cost of sales related to business combination fair value adjustments to inventory	(1,430)	(1,765)	(2,922)	(1,765)
Gross margin	61,367	16,214	136,762	33,038
Selling, general and administrative expenses	(61,745)	(34,260)	(162,282)	(96,519)
Loss from operations	(378)	(18,046)	(25,520)	(63,481)
Other expense:				
Interest (expense) income on leases, net	(1,067)	—	(3,831)	—
Interest (expense) income, net	(6,990)	(2,154)	(14,855)	(1,683)
Other expense, net	(48,934)	(2,996)	(48,615)	(5,129)
Total other expense	(56,991)	(5,150)	(67,301)	(6,812)
Loss before income taxes	(57,369)	(23,196)	(92,821)	(70,293)
Income tax benefit (expense)	12,999	12,943	631	11,843
Net loss and comprehensive loss	(44,370)	(10,253)	(92,190)	(58,450)
Net loss attributable to non-controlling interests	(1,474)	(3,194)	(2,368)	(5,975)
Net loss attributable to shareholders	$ (42,896)	$ (7,059)	$ (89,822)	$ (52,475)
Weighted-average number of shares used in earnings per share - basic and diluted	325,416,684	235,682,767	311,446,922	223,461,261
Loss attributable to shares (basic and diluted)	$ (0.13)	$ (0.03)	$ (0.29)	$ (0.23)

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

COLUMBIA CARE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
(expressed in thousands of U.S. dollars, except for number of shares)

	Shares	Proportionate Voting Shares	Additional Paid-in Capital	Accumulated Deficit	Total Columbia Care Inc. Shareholders' Equity	Non-Controlling Interest	Total Equity
Balance, December 31, 2020	**250,003,917**	**26,507,914**	**$ 632,062**	**$ (325,238)**	**$ 306,824**	**$ (19,875)**	**$286,949**
Equity-based compensation [1]	190,925	—	7,792	—	7,792	—	7,792
Issuance of shares, net	21,792,500	—	133,151	—	133,151	—	133,151
Issuance of shares in connection with acquisitions	971,541	—	4,972	—	4,972	—	4,972
Conversion between classes of shares	9,236,733	(9,236,733)	—	—	—	—	—
Cancellation of restricted stock awards	(13,770)	(8,077)	—	—	—	—	—
Warrants exercised	262,200	—	808	—	808	—	808
Net loss	—	—	—	(28,782)	(28,782)	(381)	(29,163)
Balance, March 31, 2021	**282,444,046**	**17,263,104**	**778,785**	**(354,020)**	**424,765**	**(20,256)**	**404,509**
Equity-based compensation [1]	4,787,211	—	2,582	—	2,582	—	2,582
Issuance of shares in connection with acquisitions	54,238,143	—	189,015	—	189,015	—	189,015
Cancellation of restricted stock awards	(85,755)	(330,646)	—	—	—	—	—
Conversion of convertible notes	4,550,139	—	23,919	—	23,919	—	23,919
Conversion between classes of shares	1,584,570	(1,584,570)	—	—	—		—
Non-controlling interest buyout	—	—	1,960	—	1,960	(1,960)	—
Warrants exercised	551,743	—	1,093	—	1,093	—	1,093
Net loss	—	—	—	(18,144)	(18,144)	(513)	(18,657)
Balance, June 30, 2021	**348,070,097**	**15,347,888**	**997,354**	**(372,164)**	**625,190**	**(22,729)**	**602,461**
Equity-based compensation [1]	317,191	—	2,864	—	2,864	—	2,864
Issuance of shares in connection with acquisitions	1,701,633	—	690	—	690	—	690
Conversion between classes of shares	558,266	(558,266)	—	—	—	—	—
Cancellation of restricted stock awards	(12,449)	(3,435)	—	—	—	—	—
Net loss	—	—	—	(42,896)	(42,896)	(1,474)	(44,370)
Balance, September 30, 2021	**350,634,738**	**14,786,187**	**$ 1,000,908**	**$ (415,060)**	**$ 585,848**	**$ (24,203)**	**$561,645**

COLUMBIA CARE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
(Unaudited)
(expressed in thousands of U.S. dollars, except for number of shares)

	Shares	Proportionate Voting Shares	Additional Paid-in Capital	Accumulated Deficit	Total Columbia Care Inc. Shareholders' Equity	Non-Controlling Interest	Total Equity
Balance, December 31, 2019	**117,176,201**	**99,352,980**	**$ 429,475**	**$ (209,389)**	**$ 220,086**	**$ (2,503)**	**$217,583**
Equity-based compensation [1]	15,384	—	7,551	—	7,551	—	7,551
Conversion between classes of shares	5,552,467	(5,552,467)	—	—	—	—	—
Cancellation of restricted stock awards	—	(7,534)	—	—	—	—	—
Warrants issued with debt	—	—	1,402	—	1,402	—	1,402
Net loss	—	—	—	(22,771)	(22,771)	(1,874)	(24,645)
Balance. March 31, 2020	**122,744,052**	**93,792,979**	**438,428**	**(232,160)**	**206,268**	**(4,377)**	**201,891**
Equity-based compensation [1]	1,020,059	—	8,151	—	8,151	—	8,151
Conversion between classes of shares	5,225,493	(5,225,493)	—	—	—	—	—
Cancellation of restricted stock awards	—	(14,554)	—	—	—	—	—
Warrants issued with debt	—	—	2,001	—	2,001	—	2,001
Sale of membership interests in subsidiary	—	—	—	—	—	5,509	5,509
Non-controlling interest buyouts	7,038,835	—	18,301	(20,062)	(1,761)	761	(1,000)
Net loss	—	—	—	(22,645)	(22,645)	(907)	(23,552)
Balance. June 30, 2020	**136,028,439**	**88,552,932**	**466,881**	**(274,867)**	**192,014**	**986**	**193,000**
Equity-based compensation [1]	5,007	—	7,429	—	7,429	—	7,429
Conversion between classes of shares	48,226,024	(48,226,024)	—	—	—	—	—
Cancellation of restricted stock awards	—	(12,128)	—	—	—	—	—
Issuance of shares in connection with acquisitions	32,955,987	—	107,892	—	107,892	—	107,892
Commitment to issue in connection with acquisitions	—	—	874	—	874	—	874
Warrants exercised	2,192,298	—	388	—	388	—	388
Net loss	—	—	—	(7,059)	(7,059)	(3,194)	(10,253)
Balance, September 30, 2020	**219,407,755**	**40,314,780**	**$ 583,464**	**$ (281,926)**	**$ 301,538**	**$ (2,208)**	**$299,330**

(1) The amounts shown are net of any shares withheld by the Company to satisfy certain tax withholdings in connection with vesting of equity-based awards.

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

COLUMBIA CARE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(expressed in thousands of U.S. dollars)

	Nine Months Ended September 30,	
	2021	2020
Cash flows from operating activities:		
Net loss	$ (92,190)	$ (58,450)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	33,801	12,194
Equity-based compensation	18,029	23,131
Impairment of disposal group	2,000	1,969
Debt amortization expense	4,129	966
Loss on conversion of Convertible Notes	1,580	—
Provision for obsolete inventory and other assets	2,284	1,327
Gain on remeasurement of contingent consideration	(23,582)	—
Change in fair value of derivative liability	(6,760)	2,556
Deferred taxes	(16,739)	(15,097)
Other	244	578
Changes in operating assets and liabilities, net of acquisitions		
Accounts receivable	(645)	(1,391)
Inventory	(14,763)	(12,901)
Prepaid expenses and other current assets	5,316	(1,349)
Other assets	11,649	(762)
Accounts payable	4,183	(3,189)
Accrued expenses and other current liabilities	74,092	3,840
Income taxes payable	5,927	6,128
Other long-term liabilities	(11,522)	(32)
Net cash used in operating activities	(2,967)	(40,482)
Cash flows from investing activities:		
Cash paid for acquisitions, net of cash acquired / Cash acquired due to acquisition	(44,268)	3,203
Purchases of property and equipment	(72,323)	(40,336)
Cash paid for other assets	(15,770)	—
Proceeds from sale and lease back	—	12,385
Cash (paid) received on deposits, net	(2,880)	523
Cash for loan under CannAscend and Corsa Verde agreements	(672)	(317)
Net cash used in investing activities	(135,913)	(24,542)
Cash flows from financing activities:		
Proceeds from issuance of common shares	133,559	—
Issuance of common shares and warrants costs	(408)	—
Proceeds from issuance of debt	71,520	57,325
Debt issuance costs	(210)	(2,247)
Repayment of debt	(9,550)	—
Minority buyout	—	(1,000)
Sale of membership interest in subsidiary	—	5,509
Payment of lease liabilities	(7,844)	(272)
Exercise of warrants	1,901	388
Taxes paid on equity based compensation	(4,791)	—
Net cash provided by financing activities	184,177	59,703

COLUMBIA CARE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(Unaudited)
(expressed in thousands of U.S. dollars)

	Nine Months Ended September 30,	
	2021	2020
Net increase (decrease) in cash	45,297	(5,321)
Cash and restricted cash at beginning of the period	71,969	58,947
Cash and restricted cash at end of the period	$ 117,266	$ 53,626
Reconciliation of cash and cash equivalents and restricted cash:		
Cash and cash equivalents	$ 116,931	$ 42,143
Restricted cash	335	11,483
Cash and cash equivalents and restricted cash, end of period	$ 117,266	$ 53,626
Supplemental disclosure of cash flow information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 15,547	$ 9,848
Operating cash flows from finance leases	$ 3,814	$ 368
Financing cash flows from finance leases	$ 7,844	$ 272
Cash paid for interest on other obligations	$ 7,667	$ 482
Cash paid for income taxes	$ 10,379	$ 1,709
Lease liabilities arising from the recognition of operating right-of-use assets	$ 38,070	$ 34,166
Lease liabilities arising from the recognition of finance right-of-use assets	$ 18,743	$ 654
Supplemental disclosure of non-cash investing and financing activities:		
Non-cash fixed asset additions within accounts payable and accrued expenses	$ 18,242	$ 2,258
Issuance of warrants	$ —	$ 3,404
Debt incurred issued in connection with acquisition of property, plant and equipment	$ 7,000	$ —
Shares issued in connection with acquisition of other assets	$ 13,359	$ —
Shares issued in connection with acquisition of property and equipment	$ 228	$ —
Short-term obligation assumed in connection with acquisition of other assets	$ 12,500	$ —
Shares issued in connection with conversion of Convertible Notes into equity, net	$ 23,919	$ —
Extinguishment of derivative liability upon conversion of Convertible Notes into equity	$ 12,127	$ —
Derivative liability recognized upon issuance of convertible debt	$ 15,099	$ 5,364
Shares issued in connection with business acquisitions	$ 132,201	$ 108,766
Shares issued in connection with satisfaction of contingent consideration	$ 48,893	$ 26,445
Note payable, net of discount, issued in connection with acquisition	$ 8,062	$ 8,170
Conversion of promissory note into shares in connection with business acquisition	$ 1,500	$ —
Intercompany note receivable with TGS assumed in connection with acquisition	$ —	$ 16,855
Buyout of non-controlling interest by issuance of shares	$ 1,959	$ —
Contingent consideration incurred in connection with acquisition	$ 125,230	$ —

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

1. OPERATIONS OF THE COMPANY

Columbia Care Inc. (“the Company” or “the Parent”), was incorporated under the laws of the Province of Ontario on August 13, 2018. The Company’s principal mission is to improve lives by providing cannabis-based health and wellness solutions and derivative products to qualified patients and consumers. The Company’s head office and principal address is 680 Fifth Ave. 24th Floor, New York, New York 10019. The Company’s registered and records office address is 666 Burrard St #1700, Vancouver, British Columbia V6C 2X8.

On April 26, 2019, the Company completed a reverse takeover (“RTO”) transaction and private placement. Following the RTO, the Company’s Common Shares were listed on the Aequitas NEO exchange, trading under the symbol “CCHW”. As of the time of this report, the Company’s Common Shares are also listed on the Canadian Securities Exchange under the symbol “CCHW”, the OTCQX Best Market under the symbol “CCHWF” and on the Frankfurt Stock Exchange under the symbol “3LP”.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The outbreak of this contagious disease, along with the related adverse public health developments, have negatively affected workforces, economies and financial markets on a global scale. The Company incurred lower revenues, and additional expenditures related to COVID-19 during the first half of 2020. During the first half of 2020, the Company’s operations in Massachusetts were affected by a temporary shutdown of adult-use operations and in Illinois and California by rules related to social distancing and limiting the Company’s retail operations to curb-side pick-up. The Company’s operating results, with the exception of our California market, were not materially impacted during the first nine months of 2021. Currently, the Company is closely monitoring the impact of the pandemic on all aspects of its business, and it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations.

The Company is subject to risks common in the life sciences and consumer products industries including, but not limited to, compliance with government regulations, regulatory approvals, competitive markets, new technological innovations, protection of proprietary technology, dependence on key personnel, uncertainty of market acceptance and the need to obtain additional financing.

While cannabis and CBD-infused products are legal under the laws of many U.S. states (with varying restrictions applicable), the United States Federal Controlled Substances Act classifies all “marijuana” as a Schedule I drug, whether for medical or recreational use. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for use under medical supervision.

In recent years, a temporary federal legislative enactment that prohibits the Department of Justice from expending appropriated funds to enforce federal laws that interfere with a state’s implementation of its own medical marijuana laws has been included in multiple Appropriations laws that have passed Congress. This so-called budget rider is known as the Rohrbacher-Farr Amendment. The Rohrbacher-Farr Amendment has been included in successive appropriations legislation or resolutions since 2015. The Rohrbacher-Farr Amendment was extended most recently in the Omnibus Appropriations Act of 2021, which funds the agencies of the federal government through September 30, 2021 as amended by a stopgap spending measure extending the Act through February 18, 2021. Notably, the Rohrbacher-Farr Amendment has applied only to medical marijuana programs and has not provided the same protections to enforcement against adult-use activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The accompanying condensed interim consolidated financial statements have been prepared, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) and in accordance with generally accepted accounting principles in the United States of America (“GAAP”) as of September 30, 2021 and December 31, 2020 and for the three and nine months ended September 30, 2021 and 2020. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) have been condensed or omitted pursuant to such rules and regulations; however, the Company believes that the information furnished reflects all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of results for the interim period.

It is suggested that these condensed interim consolidated financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company’s audited financial statements included within this Form 10. There have been no material changes in the accounting policies followed by the Company during the current fiscal year other than the adoption of recent accounting pronouncements discussed in this Note. Results for an interim period are not indicative of any future interim periods or for an entire fiscal year.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were consistent with those described in the Company's most recent annual audited consolidated financial statements and adjusted for significant changes in the current reporting period indicated below and throughout the condensed interim consolidated financial statements.

Loss on conversion of Convertible Debt

Under the terms of the Company's Convertible Debt, the Company is permitted to offer additional incentives to the convertible debtholders as an inducement to convert their convertible debt into common shares. The additional incentive offered to the convertible debt holders is accounted for by the Company by recognizing a loss on conversion equal to the fair value of additional shares that were issued as a result of the incentive program. The difference between the net book value of the debt that is converted, and the inducement loss is credited to equity. The reduction in the derivative liability relating to the embedded conversion feature within the Convertible Debt is also credited to equity.

Accounting for Real Estate Asset Acquisitions

The Company's real estate acquisitions are generally accounted for as asset acquisitions as substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The Company records the cost of assets acquired based on the cost of the acquisition, which is the consideration the transferred to the seller(s) and generally includes direct transaction costs related to the acquisition.

Recently adopted accounting pronouncements

In December 2019, the FASB issued ASU No. 2019-12 Income Taxes (Topic 740): *Simplifying the Accounting for Income Taxes*. The update contains a number of provisions intended to simplify the accounting for income taxes. The update is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. Adoption of this update did not have a material impact on the Company's condensed interim consolidated financial statements.

Recently issued accounting pronouncements

In January 2020, the FASB issued ASU No. 2020-01, Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815. The update among other things clarifies that a company should consider observable transactions that require a company to either apply or discontinue the equity method of accounting under Topic 323, Investments—Equity Method and Joint Ventures, for the purposes of applying the measurement alternative in accordance with Topic 321 immediately before applying or upon discontinuing the equity method. The update is effective for fiscal years beginning after December 15, 2021. The Company is currently evaluating the adoption date and impact, if any, adoption will have on its financial position and results of operations.

In August 2020, the FASB issued ASU No. 2020-06, "Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" ("ASU 2020-06"), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 removes from U.S. GAAP the liability and equity separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, Derivatives and Hedging, or (2) a convertible debt instrument was issued at a substantial premium. Among other potential impacts, this change is expected to reduce reported interest expense, increase reported net income, and result in a reclassification of certain conversion feature balance sheet amounts from stockholders' equity to liabilities as it relates to the Company's convertible senior notes. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share (EPS), which is consistent with the Company's accounting treatment under the current standard. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, with early adoption

permitted for fiscal years beginning after December 15, 2020 and can be adopted on either a fully retrospective or modified retrospective basis. The Company early adopted the new standard on January 1, 2021. The adoption of the standard did not have a material impact on the Company's Consolidated Financial Statements.

Reclassification

Certain reclassifications have been made to conform the prior year consolidated financial statements and notes to the current year presentation.

3. INVENTORY

Details of the Company's inventory are shown in the table below:

	September 30, 2021	December 31, 2020
Work-in-process - cannabis in cures and final vault	$ 50,542	$ 35,368
Finished goods - dried cannabis, concentrate and edible products	32,897	19,436
Total inventory	**$ 83,439**	**$ 54,804**

4. CURRENT AND LONG-TERM DEBT

Current and long-term obligations, net, are shown in the table below:

	September 30, 2021	December 31, 2020
Term debt	$ 69,965	$ 69,965
Convertible debt	80,100	18,760
Acquisition related real estate notes (see note 5)	7,000	—
Acquisition related promissory notes (see note 5)	5,250	8,776
Acquisition related term debt (see note 5)	3,339	—
	165,654	97,501
Unamortized debt discount	(20,830)	(10,500)
Unamortized deferred financing costs	(5,210)	(3,079)
Unamortized debt premium	397	607
Total debt	140,011	84,529
Less current portion, net	(1,903)	(8,439)
Long-term portion	$ 138,108	$ 76,090

The Company was in compliance with all financial covenants and was not in default of any provisions under any of its debt arrangements as of September 30, 2021.

Convertible Debt

In April 2021, the Company offered an incentive program to the holders of the Convertible Notes, pursuant to which, the Company would issue to each noteholder that surrendered its Convertible Notes for conversion on or before May 28, 2021, 20 Common Shares of the Company on a private placement basis for each US$1,000 aggregate principal amount of Convertible Notes surrendered for conversion. Pursuant to this incentive program, 4,550,139 shares were issued upon of conversion of $13,160 of Convertible Notes.

These conversions resulted in recognition of a loss on conversion of $1,580, write down of derivative liability, debt discount and debt amortization of $12,127, $2,855 and $93, respectively and a corresponding credit to paid in capital of $23,919. Convertible note holders of $5,600 of the convertible debt issued in 2020 did not convert their debt into Common Shares and as of September 30, 2021, $5,600 of the convertible debt issued in 2020 was still outstanding.

2025 Convertible Debt

On June 29, 2021, the Company completed an offering of 6.00% Secured Convertible Notes Due 2025 ("2025 Convertible Notes") for an aggregate principal amount of $74,500.

The 2025 Convertible Notes are senior secured obligations of the Company and will accrue interest payable semiannually in arrears and mature on June 29, 2025, unless earlier converted, redeemed or repurchased. The 2025 Convertible Notes shall be convertible, at the option of the holder, from the date of issuance until the date that is 10 days prior to their maturity

date into common shares of the Company at a conversion price equal to US$6.49 payable on the business day prior to the date of conversion, adjusted downwards for any cash dividends paid to holders of Common Shares and other customary adjustments. The Company may redeem the Notes at par, in whole or in part, on or after June 29, 2023, if the volume weighted average price of the Common Shares trading on the Canadian Stock Exchange or the NEO Exchange for 15 of the 30 trading days immediately preceding the day on which the Company exercises its redemption right, exceeds 120% of the conversion price of the Notes at a Redemption Price equal to 100% of the principal amount of the 2025 Convertible Notes redeemed, plus accrued but unpaid interest, if any, up to but excluding the Redemption Date.

The 2025 Convertible Notes require interest-only payments until June 29, 2025, at a rate of 6.0% per annum, payable semi-annually in June and December and commencing in December 2021. The 2025 Convertible Notes are due in full on June 29, 2025. The Company incurred financing costs of $3,190 in connection with the 2025 Convertible Notes.

The principal amount of the 2025 Convertible Notes and the conversion price are denominated in U.S. dollars. As the functional currency of the Company is Canadian dollars, the amount of the liability to be settled depends on the applicable foreign exchange rate on the date of settlement. The 2025 Convertible Notes therefore represent an obligation to issue a fixed number of shares for a variable amount of liability. Due to this conversion feature within the 2025 Convertible Notes, the Company is unable to obtain an exception from derivative accounting. Accordingly, this conversion feature was accounted for as an embedded derivative liability and measured at fair value of $15,099 on the date of issuance of debt with a corresponding debt discount, reflected as a reduction to the carrying value of the Convertible Notes. The Company fair values the derivative liability at each balance sheet date. Changes in fair value of the embedded derivative are recognized in the condensed interim consolidated statements of operations and comprehensive loss. The debt discount is amortized over the term of the Convertible Notes.

Embedded derivative in Convertible Debt and 2025 Convertible Debt

The fair value of the embedded derivative was calculated on the date of issuance of the 2025 Convertible Notes using the Monte Carlo simulation model with the following assumptions:

Expected volatility	65.00%
Expected term (years)	4.00
Expected dividends	0.00%
Risk-free interest rate	0.79%

During the three months ended September 30, 2021 and 2020, fair value changes in the derivative liability resulted in a gain of $4,847 and a loss of $2,556, respectively, in the condensed interim consolidated statement of operations and comprehensive loss. During the nine months ended September 30, 2021 and 2020, fair value changes in the derivative liability resulted in a gain of $6,760 and a loss of $2,556, respectively, in the condensed interim consolidated statement of operations and comprehensive loss. This gain (loss) is recorded within other expense, net on the condensed interim consolidated statement of operations and comprehensive loss.

Interest and amortization expense

Total interest and amortization expense on the Company's debt obligations during the three and nine months ended September 30, 2021 and 2020 are as follows:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Interest expense on debt	$ 5,233	$ 1,720	$ 11,130	$ 2,808
Amortization of debt discount	1,351	686	3,373	789
Amortization of debt premium	(70)	—	(210)	—
Amortization of debt issuance costs	371	155	966	176
Other interest (expense) income, net	105	(407)	(404)	(2,090)
Total interest expense	$ 6,990	$ 2,154	$ 14,855	$ 1,683

5. ACQUISITIONS

Green Leaf Medical

On June 11, 2021, the Company acquired (the "Green Leaf Transaction") a 100% ownership interest in Green Leaf Medical, LLC ("Green Leaf"). On July 7, 2021, the Company acquired ("the Green Leaf-Ohio Transaction") a residual 49% ownership interest (constituting 949,379 Common Shares) in Green Leaf Medical of Ohio II, LLC ("Green Leaf-Ohio").

Green Leaf was formed in April 2014 for the purpose of selling medicinal and recreational cannabis products in the states of Maryland, Pennsylvania, Ohio, and Virginia. Green Leaf owns and operates vertically integrated cultivation facilities, manufacturing facilities and retail dispensaries in the states of Maryland, Pennsylvania, Ohio, and Virginia. The Company executed the Green Leaf Transaction in order to continue to grow revenues; expand its cultivation facilities, manufacturing facilities and dispensaries; and enter, or expand in the Maryland, Pennsylvania, Ohio, and Virginia markets.

The following table summarizes the fair value of total consideration transferred and the fair value of each major class of consideration for Green Leaf:

Consideration transferred	
Cash consideration	$ 62,796
Less working capital adjustment	(2,011)
Closing shares	125,729
Milestone shares after closing (contingent consideration)	125,230
Total unadjusted purchase price	311,744
Less: Cash and cash equivalents acquired	(30,779)
Total purchase price, net of cash and cash equivalents acquired	$280,965

Equity purchase consideration comprised 44,848,416 Common Shares of which 322,898 Common Shares were issued during the last quarter of 2021.

Recognized amounts of identifiable assets acquired and liabilities assumed, less cash and cash equivalents acquired:

Purchase price allocation	
Assets acquired:	
Accounts receivable	$ 4,660
Inventory	13,659
Prepaid expenses and other current assets	31,687
Property and equipment	52,070
Right of use assets	1,876
Goodwill	164,004
Intangible assets	142,858
Accounts payable	(4,080)
Accrued expenses and other current liabilities	(22,597)
Note payable	(2,344)
Lease liabilities	(1,876)
Other long-term liabilities	(62,161)
Deferred tax liabilities	(36,791)
Consideration transferred	$280,965

The fair value of the acquired assets and liabilities are provisional pending receipt of the final valuations for those assets and liabilities.

The purchase price allocations for the Green Leaf Transaction reflect various fair value estimates and analyses relating to the determination of fair values of certain tangible and intangible assets and liabilities acquired and residual goodwill. The purchase price allocations for the Green Leaf Transaction reflect various fair value estimates and analyses, which are subject to change within the respective measurement periods. The Company expects to continue to obtain information to assist in determining the fair value of the net assets acquired during the measurement periods. Measurement period adjustments that the Company determines to be material will be applied retrospectively to the period of acquisition in the Company’s condensed interim consolidated financial statements, and, depending on the nature of the adjustments, other periods subsequent to the period of acquisition could also be affected.

The contingent consideration, payable in Common Shares (the "Milestone Shares") of the Company, was estimated considering certain metrics as of the June 11, 2021 acquisition date, subject to the terms and conditions set forth in the Agreement and Plan of Merger (the "Merger Agreement") entered into by the Company in connection with the Green Leaf Transaction. The fair value of the contingent consideration was estimated using a probability weighted expected return method ("PWERM"). This fair value measurement was based on significant inputs that are not observable in the market, and represent a level 3 fair value measurement, including those relating to discount factors and probabilities of achievement of the related milestones. Discounts of 22.75% and 37.95% were applied to the August 15, 2022 and 2023 earn out cash flows, respectively, to derive an aggregate discounted probability-adjusted earn out. The Company then applied a discount for lack of marketability rate of 14% to arrive at the net fair value of contingent consideration. An estimated range of outcomes has been deemed indeterminable by the Company.

Based on the financial results for the three months ended September 30, 2021, the Company remeasured the contingent consideration at fair value and recorded a net gain of $23,582 within other expense, net in the condensed interim consolidated statements of operations and comprehensive loss.

The Company determined the estimated fair value of the acquired working capital, and identifiable intangible assets and goodwill after review and consideration of relevant information including discounted cash flow analyses, market data and management's estimates, prepared by an independent valuation firm. The estimated fair value of acquired working capital was determined to approximate carrying value.

For leases acquired, the Company measured the lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The Company measured the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The goodwill arising from the Green Leaf Transaction consists of expected synergies from combining operations of the Company and Green Leaf, and intangible assets not qualifying for separate recognition such as formulations, proprietary technologies and acquired know-how. None of the goodwill is deductible for tax purposes.

Green Leaf's state licenses, trade name and wholesale customers represented identifiable intangible assets acquired in the amounts of $98,698, $27,985 and $16,175, respectively, which were determined to have definite useful lives of 10, 5 and 7 years respectively.

In conjunction with the Green Leaf Transaction, the Company expensed $830 of acquisition-related costs, which have been included in selling, general and administrative expenses on the Company's condensed interim consolidated statement of operations and comprehensive loss.

$31,400 and $37,880 of revenue and $9,690 and $12,044 of net income of Green Leaf have been included in the condensed interim consolidated statement of operations for the three and nine months ended September 30, 2021, respectively.

Unaudited supplemental pro-forma information

Had the acquisition of Green Leaf been completed on January 1, 2020, the Company's pro forma results of operations for the three months ended three and nine months ended September 30, 2021 and 2020 would have been as follows:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Revenue	132,322	71,060	372,730	155,785
Net loss attributable to shareholders	(42,896)	1,213	(78,675)	(33,477)
Earnings attributable to shares (basic and diluted)	(0.12)	0.00	(0.22)	(0.12)

The pro forma financial information which gives effect to certain transaction accounting adjustments, including amortization of acquired intangibles is not necessarily indicative of the operating results that would have occurred had the acquisition been consummated on January 1, 2020, nor is it necessarily indicative of future operating results.

The Healing Center San Diego (THCSD)

On January 6, 2021, the Company acquired a 100% ownership interest in The Healing Center of San Diego, Inc. (the "THCSD Transaction").

THCSD was formed in 2016 for the purpose of selling recreational and related cannabis products in San Diego, California, where it owns and operates a dispensary. The Company executed the THCSD Transaction in order to continue to grow revenues; expand its dispensaries; and penetrate the San Diego market.

The aggregate purchase price for the THCSD Transaction, being $14,115 consisted of $3,425 in cash consideration, $5,718 in promissory notes ("Closing Promissory Notes") and $4,972 in equity purchase consideration ("Closing Shares"). Equity purchase consideration comprised 971,541 Common Shares which were issued on January 6, 2021. The Closing Promissory Notes were issued with a debt discount of $282 and require sixteen quarterly payments of $375 of principal, plus accrued and unpaid interest thereon at a rate of 8.0% per annum, beginning on April 6, 2021, through maturity on December 16, 2024.

The following table summarizes the fair value of total consideration transferred and the fair value of each major class of consideration for the THCSD Transaction:

Consideration transferred	
Cash consideration	$ 3,425
Closing promissory notes	5,718
Closing Shares	4,972
Total unadjusted purchase price	14,115
Less: Cash and cash equivalents acquired	(698)
Total purchase price, net of cash and cash equivalents acquired	$13,417

Recognized amounts of identifiable assets acquired, and liabilities assumed, less cash assumed:

Purchase price allocation	
Assets acquired:	
Inventory	$ 597
Prepaid expenses and other current assets	91
Property and equipment	619
Right of use assets	635
Goodwill	4,303
Intangible assets	10,987
Accounts payable	(133)
Accrued expenses and other current liabilities	(260)
Lease liabilities	(635)
Deferred tax liabilities	(2,787)
Consideration transferred	$13,417

The fair value of the acquired assets and liabilities is provisional pending receipt of the final valuations for these assets and liabilities. The purchase price allocation for the THCSD Transaction reflects various fair value estimates and analyses, which are subject to change within the respective measurement periods. The Company expects to continue to obtain information to assist in determining the fair value of the net assets acquired at each acquisition date during the measurement periods. Measurement period adjustments that the Company determines to be material will be applied retrospectively to the period of acquisition in the Company's condensed interim consolidated financial statements, and, depending on the nature of the adjustments, other periods subsequent to the period of acquisition could also be affected.

The Company determined the estimated fair value of the acquired working capital, and identifiable intangible assets and goodwill after review and consideration of relevant information including discounted cash flow analyses, market data and management's estimates, prepared by an independent valuation firm. The estimated fair value of acquired working capital was determined to approximate carrying value.

For leases acquired, the Company measured the lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The Company measured the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The goodwill arising from the THCSD Transaction consists of expected synergies from combining operations of the Company and THCSD, and intangible assets not qualifying for separate recognition such as formulations, proprietary technologies and acquired know-how. None of the goodwill is deductible for tax purposes.

THCSD's state licenses and trade name represented identifiable intangible assets acquired in the amounts of $9,181 and $1,806, respectively, which were each determined to have a definite useful life of 10 years.

In conjunction with the THCSD Transaction, the Company expensed $85 of acquisition-related costs, which have been included in selling, general and administrative expenses on the Company's statement of comprehensive income. THCSD's acquisition-related costs in the amount of $198 were expensed in THCSD's pre-acquisition consolidated financial statements.

$3,049 and $8,862 of revenue and $218 and $671 of net income of THCSD have been included in the condensed interim consolidated statement of operations for the three and nine months ended September 30, 2021, respectively.

Project Cannabis

On December 1, 2020, the Company acquired (the "Project Cannabis Transaction") a 100% ownership interest in Resource Referral Services Inc., PHC Facilities Inc. and Wellness Earth Energy Dispensary, Inc., and acquired a 49.9% ownership interest in Access Bryant SPC (collectively, "Project Cannabis").

During May 2021, the Company finalized the working capital on the Project Cannabis transaction. This resulted in issuance of 178,619 shares to the sellers and recording of additional purchase consideration of $228 to goodwill.

As a part of the Project Cannabis Transaction, the Company was also granted an option to acquire two real estate properties in California for total consideration of $16,500 comprising $9,500 of cash and the assumption of debt of $7,000. In June 2021, the Company exercised the option. The debt comprises of one interest-only real estate loan of $5,000 with a maturity date in July 2024 that requires monthly interest payments at 6%, and another interest-only real estate loan of $2,000 with a maturity date in July 2023 that requires monthly interest payments at 10%.

The Green Solution

On September 1, 2020, the Company acquired (the "TGS Transaction") a 100% ownership interest in TGS Global, LLC ("TGS Global"), TGS Colorado Management, LLC, The Green Solution LLC, Rocky Mountain Tillage, LLC, Infuzionz, LLC and Beacon Holdings, LLC (collectively, "TGS"). As of December 31, 2020, the Company had an accrual of $48,202 in respect of the contingent consideration payable to the sellers of TGS. In April 2021 and September 2021, the Company issued 7,234,266 and 170,053 Milestone Shares to the Sellers in settlement of this contingent consideration.

The Company made principal payments of $1,276 and $8,776 on the TGS Closing Promissory Notes during the three and nine months ended September 30, 2021 respectively. There was no outstanding balance as of September 30, 2021.

CannAscend

On October 25, 2018, the Company, CannAscend Alternative, LLC ("CAA"), and CannAscend Alternative Logan, LLC ("CAA Logan") entered into a Membership Interest Purchase Option Agreement (the "CannAscend Option Agreement"). CAA and CAA Logan are both Ohio-based limited liability companies that operate four dispensaries (collectively the "Target Companies"). The Company closed the acquisition on July 1, 2021.

The price paid by the Company for the CannAscend Option Agreement was approximately $4,124 ("CannAscend Option Deposit") and it was recorded as long-term deposits on the consolidated statement of financial position at December 31, 2020. Based on the Company's exercise of the CannAscend Option, the Company paid a purchase price of $14,150.

As part of the CannAscend Option Agreement, the Company had deposited money into an escrow account. As of December 31, 2020, the escrow deposit account had a balance of $10,026 which was recorded as other non-current assets on the condensed interim consolidated statement of financial position. Funds from the escrow account were released upon the closure of this acquisition.

The following table summarizes the fair value of total consideration transferred and the fair value of each major class of consideration for the CannAscend Transaction:

Consideration transferred	
Cash consideration	$10,026
CannAscend deposit	4,124
Total unadjusted purchase price	14,150
Less: Cash and cash equivalents acquired	(973)
Total purchase price, net of cash and cash equivalents acquired	$13,177

Recognized amounts of identifiable assets acquired, and liabilities assumed, less cash assumed:

Purchase price allocation	
Assets acquired:	
Inventory	$ 2,186
Prepaid expenses and other current assets	175
Property and equipment	8,787
Intangible assets	22,300
Accounts payable	(695)
Accrued expenses and other current liabilities	(1,695)
Notes and interest receivable	(12,358)
Deferred tax liabilities	(5,523)
Consideration transferred	$ 13,177

The fair value of the acquired assets and liabilities is provisional pending receipt of the final valuations for these assets and liabilities.

Since the closing date of the CannAscend Transaction, $7,686 of revenue and $605 of net income of CannAscend have been included in the condensed interim consolidated statement of operations for the three and nine months ended September 30, 2021, respectively.

Corsa Verde

On May 4, 2021, the Company acquired Corsa Verde, LLC (“Corsa Verde”). The following table summarizes the fair value of total consideration transferred and the fair value of each major class of consideration for Corsa Verde:

Consideration transferred	
Closing Shares	$1,500
Note receivable	2,769
Interest receivable	200
Deposits	125
Restricted cash	498
Total unadjusted purchase price	5,092
Less: Cash acquired	(27)
Total purchase price	$5,065

Included within the consideration was a convertible promissory note (the “Convertible Note”) in the amount of $1,500. This Convertible Note was converted into shares of Company’s common stock calculated by dividing the principal amount of the Convertible Note by the volume weighted average trading price of the Company common stock on the NEO Exchange for the 5 days preceding the closing date of the transactions contemplated by the Corsa Verde Purchase Agreement.

The preliminary purchase price allocation is as follows:

Purchase price allocation	
Assets acquired:	
Accounts receivable	$ 181
Inventory	304
Property and equipment	1,250
Intangible assets	4,812
Accounts payable	(319)
Accrued expenses and other current liabilities	(5)
Deferred tax liabilities	(1,158)
Consideration transferred	$ 5,065

Intangible assets consist of licenses which are determined to have a definite useful life of 10 years.

The fair value of the acquired assets and liabilities are provisional pending receipt of the final valuations for these assets.

Revenues of $120 and $178 and a net loss of $288 and $440 of Corsa Verde have been included in the condensed interim consolidated statement of operations for the three and nine months ended September 30, 2021, respectively.

Medicine Man

On November 1, 2021, Columbia Care acquired Medicine Man Denver ("Medicine Man") for an upfront consideration of $42,000, comprising $8,400 in cash and $33,600 in stock. The transaction terms also include a potential additional milestone payment in 2022 if certain performance targets are met. No amounts have been recorded with respect to this acquisition in the condensed interim consolidated financial statements as of September 30, 2021.

6. PROPERTY AND EQUIPMENT

Details of the Company's property and equipment and related depreciation expense are summarized in the tables below:

	September 30, 2021	December 31, 2020
Land and buildings	$ 68,161	$ 3,757
Furniture and fixtures	8,448	6,970
Equipment	32,674	22,955
Computers and software	2,542	1,986
Leasehold improvements	133,756	98,380
Construction in process	59,945	11,338
Total property and equipment, gross	305,526	145,386
Less: Accumulated depreciation	(46,796)	(30,986)
Total property and equipment, net	$ 258,730	$ 114,400

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Total depreciation expense for three and nine months ended	$ 6,138	$ 3,715	$ 15,819	$ 10,302
Included in:				
Costs of sales related to inventory production	$ 3,559	$ 2,297	9,250	6,187
Selling, general and administrative expenses	$ 2,579	$ 1,418	6,569	4,115

7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Details of the Company's accrued expenses and other current liabilities are summarized in the table below:

	September 30, 2021	December 31, 2020
Accrued acquisition and settlement of pre-existing relationships	$ 75,309	$ —
Accrued expenses	24,679	28,152
Real estate purchase obligation	12,500	—
Payroll liabilities	10,504	8,758
Other current liabilities	7,982	5,950
Accrued interest	4,597	—
Accrued expenses and other current liabilities	$ 135,571	$ 42,860

8. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Details of the Company's prepaid expenses and other current assets are summarized in the table below:

	September 30, 2021	December 31, 2020
Tenant improvement receivable	$ 18,419	$ —
Prepaid expenses	15,838	5,245
Short term deposits	4,103	1,510
Prepaid taxes	119	41
Excise and sales tax receivable	749	238
Other current assets	3,318	4,396
Prepaid expenses and other current assets	$ 42,546	$ 11,430

9. OTHER NON-CURRENT ASSETS

Details of the Company's other non-current assets are summarized in the table below:

	September 30, 2021	December 31, 2020
Investment in real estate	$ 41,629	$ —
Long term deposits	5,434	9,271
Indemnification receivable	5,221	5,221
Investment in affiliates	1,214	1,446
Restricted cash	335	10,858
Notes receivable	2,226	15,832
Interest receivable	—	1,000
Other non-current assets	$ 56,059	$ 43,628

10. SHAREHOLDERS' EQUITY

In addition to the issuance of equity in connection with conversion of Convertible Notes mentioned in Note 4 and business acquisitions mentioned in Note 5, the Company had the following activity during the nine months ended September 30, 2021:

- Closed a public offering that consisted of 18,572,500 Common Shares at a price of $8.05 (Canadian Dollars) per common share for aggregate proceeds of $111,789 in January 2021.
- Sold, on a bought deal private placement basis, 3,220,000 Common Shares at a price of $9.00 (Canadian Dollars) per share for aggregate gross proceeds of $21,770 in February 2021.
- Granted 3,198,199 time-based restricted stock units and 655,093 performance-based restricted stock units during the nine months ended September 30, 2021.
- Issued 3,796,284 Common Shares upon vesting of RSU's. An additional 1,499,043 shares were sold to cover for taxes on the share-based compensation unit that were issued during the nine months ended September 30, 2021.
- Purchased real estate property in New York in April 2021 for $29,129 comprising of cash consideration of $15,687 and 2,545,857 Common Shares in the Company. The Company expects to acquire equipment at the same real estate property location in the last quarter of 2021 for an additional consideration of $12,500. This additional consideration has been recorded within other non-current assets and accrued expenses and other current liabilities on the condensed interim consolidated statement of financial position. Upon the acquisition of the equipment, the Company will obtain control over the real estate property. Pending this, the entire purchase consideration has been recorded within other non-current assets on the condensed interim consolidated statement of financial position.

11. WARRANTS

As of September 30, 2021 and December 31, 2020, outstanding equity-classified warrants to purchase Common Shares consisted of the following:

	September 30, 2021		December 31, 2020	
Expiration	Number of Shares Issued and Exercisable	Exercise Price (Canadian Dollars)	Number of Shares Issued and Exercisable	Exercise Price (Canadian Dollars)
May 8, 2021	—	$ 5.71	921,753	$ 5.71
October 1, 2025	648,783	8.12	648,783	8.12
April 26, 2024	5,394,945	10.35	5,394,945	10.35
May 14, 2023	1,723,250	3.10	1,723,250	3.10
May 14, 2023	1,998,788	2.95	2,250,188	2.95
May 14, 2023	—	4.53	300,000	4.53
May 14, 2023	1,897,000	5.84	1,909,000	5.84
	11,662,766	$ 7.15	13,147,919	$ 6.91

Warrant activity for the nine months ended September 30, 2021 and 2020 are summarized in the table below:

	Number of Warrants	Weighted average exercise price (Canadian Dollars)
Balance at December 31, 2019	20,055,424	**$ 7.34**
Issued	4,462,438	3.12
Exercised	(4,019,023)	2.25
Expired	(1,152,191)	5.71
Balance at September 30, 2020	19,346,648	**$ 7.52**
Balance at December 31, 2020	13,147,919	**$ 6.91**
Exercised	(1,485,153)	5.01
Balance at September 30, 2021	11,662,766	**$ 7.15**

12. LOSS PER SHARE

Basic and diluted net loss per share attributable to the Company was calculated as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Numerator:				
Net loss	$ (44,370)	$ (10,253)	$ (92,190)	$ (58,450)
Less: Net loss attributable to non-controlling interests	(1,474)	(3,194)	(2,368)	(5,975)
Net loss attributable to shareholders	$ (42,896)	$ (7,059)	$ (89,822)	$ (52,475)
Denominator:				
Weighted average shares outstanding - basic and diluted	325,416,684	235,682,767	311,446,922	223,461,261
Loss per share - basic and diluted	$ (0.13)	$ (0.03)	$ (0.29)	$ (0.23)

Certain share-based equity awards were excluded from the computation of dilutive loss per share because inclusion of these awards would have had an anti-dilutive effect.

13. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners, and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors and senior management that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. Other than the accruals mentioned in this Note, the Company has not accrued any liabilities related to any pending claims potentially subject to indemnification arrangements in its condensed interim consolidated financial statements.

A former owner of the Company's Florida-licensed business was sued by a former purported joint venture partner, alleging various statutory and common law claims related to the terminated joint venture. The Company is not a party to this lawsuit, but, as part of its acquisition of the business, had agreed to indemnify the owner for litigation costs and any judgment rendered in the matter, in excess of $750. On January 20, 2021, following an arbitration hearing, the arbitration panel issued a partial final award in the former joint venture partner's favor on three of the 11 claims asserted and awarded the former joint venture partner $10,553 plus prejudgment interest from July 26, 2017 through the present, as well as reasonable attorneys' fees. On March 2, 2021, the Panel issued a Final Award, awarding the former joint venture partner a total of $15,195, inclusive of prejudgment interest and attorneys' fees. The Company is financially responsible for payment of the Final Award, pursuant to its indemnification commitment to the former owner. Two subsidiaries of the Company, and certain

members of the Company's management team were named in a separate lawsuit commenced by the same former joint venture partner alleging various claims related to the same terminated joint venture. The trial court dismissed a majority of the claims in the lawsuit. All parties to the arbitration and the additional lawsuit have agreed to amicably resolve the arbitration and the additional lawsuit. There are no admissions of liability. In furtherance of the resolution, as of September 30, 2021 and December 31, 2020, the Company had a total accrual of $22,800 and $15,195, respectively.

In separate legal matter, a subsidiary of the Company, and certain members of the Company's management team are respondent parties in a confidential arbitration before the American Arbitration Association. The arbitration was initiated on October 24, 2019, by an investor (the "Claimant") in a third-party entity, which, in turn, is an investor in a separate third-party entity for which certain members of the Company's management team are managers and to which the Company provides operating services pursuant to a written agreement. Claimant asserted direct, derivative, and double derivative claims against the respondent parties. The arbitration follows from a prior case filed by the Claimant on November 30, 2018, in the New York Supreme Court, Commercial Division (the "New York Proceeding") asserting similar claims as are at issue in the arbitration. In the New York Proceeding, the Claimant sought, among other remedies, preliminary injunctive relief to enjoin the Company's RTO. On April 15, 2019, the New York Supreme Court, Commercial Division, finally denied Claimant's request for temporary restraining orders and preliminary injunctive relief, as well as compelled the dispute to arbitration. The Appellate Division, First Department affirmed those orders. The Company's subsidiary and the members of the Company's management team who are parties to the case have asserted defenses in respect of the allegations in the arbitration. However, there can be no assurance that they will be successful in pursuing such defenses and if they are not successful in establishing such defenses that the direct or indirect losses will not be material. The hearing commenced in the arbitration on February 3, 2021 and concluded March 22, 2021, with closing arguments occurring on June 3, 2021. The parties and other interest holders in the third-party entities are attempting to amicably resolve the matter and have reached a preliminary agreement, with no admissions of liability, that is subject to approval by the Arbitrator. During the period ended September 30, 2021, the Company anticipatorily accrued $68,000 for potential share issuances and cash payments for purposes of acquisition and settlement of pre-existing relationships, inclusive of prospective acquisition costs relating to the third-party entities and other litigation costs. There can be no assurances that the proceedings will be amicably resolved, whether the Arbitrator will approve any settlement, when any underlying acquisition would close, or whether the ultimate result will exceed or be less than the amount that has been accrued.

Additionally, the Company may be contingently liable with respect to other claims incidental to the ordinary course of its operations. In the opinion of management, and based on management's consultation with legal counsel, the ultimate outcome of such other matters will not have a materially adverse effect on the Company. Accordingly, no provision has been made in these condensed interim consolidated financial statements for losses, if any, which might result from the ultimate disposition of these matters should they arise.

14. FAIR VALUE MEASUREMENTS

Financial Instruments

The following table presents the fair value of the Company's financial instruments that are measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
September 30, 2021				
Derivative liability	$ —	$ —	$ (13,321)	$ (13,321)
Contingent consideration	—	—	(100,956)	(100,956)
	$ —	$ —	$(114,277)	$(114,277)
December 31, 2020				
Derivative liability	$ —	$ —	$ (17,109)	$ (17,109)
Contingent consideration	—	—	(48,202)	(48,202)
	$ —	$ —	$ (65,311)	$ (65,311)

During the periods included in these financial statements, there were no transfers of amounts between levels.

The following table summarizes the valuation techniques and key inputs used in the fair value measurement of level 3 financial instruments:

Financial asset/financial liability	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Derivative liability	Market approach	Conversion Period	Increase or decrease in conversion period will result in an increase or decrease in fair value
Contingent Consideration	Discounted cash flow approach	Risk adjusted discount rate and forecasted EBITDA	Increase or decrease in risk adjusted discount rate and forecasted EBITDA will result in an increase or decrease in fair value

The carrying amounts of cash and restricted cash, accounts receivable, deposits and other current assets, accounts payable, accrued expenses, other current liabilities, current portion of long-term debt and lease liability as of September 30, 2021 and December 31, 2020 approximate their fair values because of the short-term nature of these items and are not included in the table above. The Company's notes receivable, other long term payables, long-term debt and lease liabilities approximate fair value due to the market rate of interest used on initial recognition.

In addition to the disclosures for assets and liabilities required to be measured at fair value at the balance sheet date, companies are required to disclose the estimated fair values of all financial instruments, even if they are not presented at their fair value on the consolidated balance sheet. The fair values of financial instruments are estimates based upon market conditions and perceived risks as of September 30, 2021 and December 31, 2020. These estimates require management's judgment and may not be indicative of the future fair values of the assets and liabilities.

Financial assets and liabilities for which the carrying values approximate their fair values include cash and cash equivalents, restricted cash, accounts receivable included within prepaid expenses and other assets, dividends payable and accrued liabilities and other payables. Generally, these assets and liabilities are short term in duration and their carrying value approximates fair value on the consolidated balance sheets.

15. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets consist of the following:

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Cost					
As of December 31, 2020	$ 137,759	$ 68,193	$ 33,043	$ 3,286	$ 242,281
Business acquisitions	168,535	134,991	29,791	16,175	349,492
Balance of September 30, 2021	$ 306,294	$ 203,184	$ 62,834	$ 19,461	$ 591,773

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Accumulated Amortization					
As of December 31, 2020	$ —	$ (3,096)	$ (1,028)	$ (56)	$ (4,180)
Amortization	—	(9,462)	(4,457)	(907)	(14,826)
Balance of September 30, 2021	$ —	$ (12,558)	$ (5,485)	$ (963)	$ (19,006)

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Cost					
As of December 31, 2019	$ —	16,235	$ —	$ —	$ 16,235
Business acquisitions	137,759	66,777	27,475	50	94,302
Balance of September 30, 2020	$ 137,759	$ 83,012	$ 27,475	$ 50	$ 110,537

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Accumulated Amortization					
As of December 31, 2019	$ —	$ (540)	$ —	$ —	$ (540)
Amortization	—	(1,369)	(229)	(1)	(1,599)
Balance of September 30, 2020	$ —	$(1,909)	$ (229)	$ (1)	$(2,139)

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Amortization for the period included in selling, general and administrative expenses	$ 8,899	$ 1,057	$ 14,826	$ 1,599

16. ASSETS HELD FOR SALE

During the three months ended September 30, 2021, the Company revalued the assets that have been held for sale. This revaluation resulted in reducing the carrying value of an asset group to zero and recognizing net loss on disposal group of $2,000 during the three months ended September 30, 2021.

17. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses are summarized in the table below:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Salaries and benefits	$27,518	$17,876	$ 76,163	$51,853
Professional fees	5,666	4,958	16,731	12,234
Depreciation and amortization	11,718	2,575	22,204	5,813
Operating facilities costs	6,840	4,880	20,490	14,009
Operating office and general expenses	5,248	2,249	12,665	5,876
Advertising and promotion	4,169	1,303	10,421	4,172
Other fees and expenses	586	419	3,608	2,562
Total selling, general and administrative expenses	$61,745	$34,260	$162,282	$96,519

18. OTHER EXPENSE, NET

Other expense, net is summarized in the table below:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Acquisition and settlement of pre-existing relationships	$ 75,308	$ —	$ 75,308	$ —
Gain on remeasurement of contingent consideration	(23,582)	—	(23,582)	—
Impairment of disposal group	2,000	—	2,000	1,969
Change in fair value of the derivative liability	(4,847)	2,556	(6,760)	2,556
Loss on conversion of Convertible Notes	—	—	1,580	—
Other expense	55	440	69	604
Total other expense, net	$ 48,934	$2,996	$ 48,615	$5,129

19. NON-CONTROLLING INTERESTS

During the year ended December 31, 2020, Columbia Care International Holdco LLC, a consolidated subsidiary of the Company, issued membership interests of five percent to an unrelated party in consideration for $5,509. In April 2021, the Company issued 783,805 common shares to the unrelated party to buyout their non-controlling interest in Columbia Care International Holdco LLC.

During the three months ended June 30, 2021, the Company acquired the outstanding non-controlling interests in Columbia Care Ohio LLC. Post this acquisition, Columbia Care Ohio LLC became a wholly owned subsidiary of the Company.

20. SUBSEQUENT EVENTS

The Company has evaluated all events and transactions that occurred after September 30, 2021 through the filing of these condensed interim consolidated financial statements. With the exception of the subsequent acquisition-related activity described in Note 5, no events have occurred that would require adjustment to the disclosures in these condensed interim consolidated financial statements.

TGS GLOBAL

COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018

TGS GLOBAL
INDEX TO COMBINED FINANCIAL STATEMENTS

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of TGS Global
Denver, Colorado

We have audited the accompanying combined financial statements of TGS Global (the "Company"), which comprise the combined balance sheets as of December 31, 2019 and 2018, and the related combined statements of operations, changes in members' deficit, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of TGS Global as of December 31, 2019 and 2018, and the results of its combined operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Los Angeles, California
June 1, 2020

Macias Gini & O'Connell LLP
2029 Century Park East, Suite 1500
Los Angeles, CA 90067

TGS GLOBAL
Combined Balance Sheets
December 31, 2019 and 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,856,899	$ 1,940,767
Accounts Receivables—Net	135,573	52,725
Due From Related Parties	—	481,199
Prepaid Expenses and Other Current Assets	1,602,286	1,783,330
Inventories—Net	10,487,737	6,632,374
Total Current Assets	14,082,495	10,890,395
Property and Equipment—Net	12,292,128	36,959,690
Finance Lease Right-of-Use Assets—Net	28,762,990	—
Operating Lease Right-of-Use Assets—Net	18,210,211	—
Intangible Assets	3,192,835	2,212,835
Deposits and Other Assets	2,654,489	3,911,939
Deferred Tax Assets	1,568,286	—
TOTAL ASSETS	**$ 80,763,434**	**$ 53,974,859**
LIABILITIES AND MEMBERS' DEFICIT		
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	$ 10,774,807	$ 8,235,874
Loyalty Program Liabilities	2,111,064	2,201,066
Finance Lease Liabilities—Current	717,027	418,989
Operating Lease Liabilities—Current	865,573	—
Deferred Gains—Current	356,725	405,040
Notes Payable—Current	25,817,701	740,331
Income Taxes Payable	10,747,425	6,127,863
Total Current Liabilities	51,390,322	18,129,163
Long-term Liabilities:		
Finance Lease Liabilities—Net of Current Portion	30,817,710	25,541,284
Operating Lease Liabilities—Net of Current Portion	18,171,118	—
Deferred Gains—Net of Current Portion	3,063,641	4,064,443
Notes Payable—Net of Current Portion	—	9,741,220
Deferred Tax Liabilities	—	476,769
Deferred Rent	—	429,131
TOTAL LIABILITIES	**103,442,791**	**58,382,010**
TOTAL MEMBERS' DEFICIT	**(22,679,357)**	**(4,407,151)**
TOTAL LIABILITIES AND MEMBERS' DEFICIT	**$ 80,763,434**	**$ 53,974,859**

The accompanying notes are an integral part of these combined financial statements

TGS GLOBAL
Combined Statements of Operations
Years Ended December 31, 2019 and 2018

	2019	2018
Revenues, Net of Discounts	$ 75,720,924	$ 67,345,370
Cost of Goods Sold, Net	44,797,262	33,166,793
Gross Profit	30,923,662	34,178,577
Operating Expenses:		
General and Administrative	27,818,344	28,097,681
Selling and Marketing	1,603,627	2,760,957
Depreciation and amortization	2,676,076	2,678,411
Total Expenses	32,098,047	33,537,049
(Loss) Income from Operations	(1,174,385)	641,528
Other Income (Expense)		
Interest Expense—Net	(8,651,800)	(7,698,906)
Loss on Disposal of Property and Equipment	(132,878)	(2,799,059)
Forfeiture of Construction Deposits	(1,074,250)	—
Other Expense	(1,092,629)	—
Other Income	84,754	954,467
Total Other Expenses—Net	(10,866,803)	(9,543,498)
Loss Before Provision for Income Taxes	(12,041,188)	(8,901,970)
Provision for Income Taxes	4,399,287	6,604,632
Net Loss	**$ (16,440,475)**	**$ (15,506,602)**

The accompanying notes are an integral part of these combined financial statements

TGS GLOBAL
Combined Statements of Changes in Members' Deficit
Years Ended December 31, 2019 and 2018

BEGINNING BALANCE AT JANUARY 1, 2018	$ 17,493,771
Net Loss	(15,506,602)
Members Distributions	(6,394,320)
ENDING BALANCE AT DECEMBER 31, 2018	**$ (4,407,151)**
Adoption of ASC 842, Leases	715,161
Net Loss	(16,440,475)
Members Distributions	(2,546,892)
ENDING BALANCE AT DECEMBER 31, 2019	**$ (22,679,357)**

The accompanying notes are an integral part of these combined financial statements

TGS GLOBAL
Combined Statements of Cash Flows
Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (16,440,475)	$ (15,506,602)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Deferred Rent	—	260,075
Depreciation and Amortization	5,445,664	5,162,885
Amortization of Operating Lease Right-of-Use Assets	1,664,570	—
Deferred Income Taxes	(476,769)	476,769
Deferred Tax Assets	(1,568,286)	—
Loss on Disposal of Property and Equipment	132,878	2,799,059
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(82,848)	176,425
Prepaid Expenses and Other Current Assets	12,972	(885,016)
Inventories	(3,855,363)	(1,627,494)
Deposits and Other Assets	1,257,450	(1,080,553)
Accounts Payable and Accrued Liabilities	2,084,081	982,792
Loyalty Program Liabilities	(90,002)	(159,764)
Deferred Gains	(333,956)	(237,821)
Operating Lease Liabilities	(1,099,149)	—
Income Taxes Payable	4,619,562	6,127,863
NET CASH USED IN OPERATING ACTIVITIES	(8,729,671)	(3,511,382)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	(4,712,595)	(5,910,650)
Purchase of Intangible Asset	(980,000)	—
Proceeds from the Sale of Property and Equipment	—	20,296,099
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(5,692,595)	14,385,449
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Repayments of Notes Payable	(5,878,850)	(6,472,104)
Proceeds from Issuance of Notes Payable	22,915,000	3,442,083
Payments of Finance Lease Liabilities	(632,059)	—
Distribution to Members	(2,546,892)	(6,394,320)
Proceeds from Related Parties	481,199	—
Repayments to Related Parties	—	(95,459)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	14,338,398	(9,519,800)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(83,868)	1,354,267
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,940,767	586,500
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,856,899	$ 1,940,767

The accompanying notes are an integral part of these combined financial statements

TGS GLOBAL
Combined Statements of Cash Flows
Years Ended December 31, 2019 and 2018

	2019	2018
CASH PAID DURING YEAR FOR:		
Interest	$ 8,489,163	$ 7,671,818
Taxes	$ 1,824,779	$ —
OTHER NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Acquisition of Assets from Capital Leases under ASC 840, Leases	$ —	$ 24,086,578
Acquisition of Right-of-Use Assets from Finance Leases under ASC 842, Leases	$ 6,206,523	$ —
Proceeds from Sale-leaseback Transactions Used to Pay Off Other Notes Payable	$ 1,700,000	$ 15,908,901
Proceeds from Issuance of Notes Payable Used to Pay Off Other Notes Payable	$ —	$ 9,025,841
Operating Lease Liabilities Recorded Upon Adoption of ASC 842, Leases	$ 20,135,840	$ —
Operating Lease Right-of-Use Assets Recorded Upon Adoption of ASC 842, Leases	$ 19,874,781	$ —
Accrued Capital Expenditures	$ 454,852	$ —

The accompanying notes are an integral part of these combined financial statements

TGS GLOBAL
Notes to the Combined Financial Statements
Years Ended December 31, 2019 and 2018

1. NATURE OF OPERATIONS AND LIQUIDITY

(a) Business Description

TGS Global is comprised of the following companies: TGS Management, LLC, Beacon Holdings, LLC, and Beyond Worx Holdings, LLC (dissolved in 2019) (collectively known as "TGS Global" or the "Company", and dba "The Green Solution").

TGS Global was formed in October 2010 for the purpose of selling recreational and related cannabis products in the state of Colorado. In that regard, TGS Global owns and operates vertically integrated cultivation facilities, manufacturing facilities and retail dispensaries in the State of Colorado.

TGS's dispensary model is driven by innovation and consumer relationships. Additionally, TGS Global works with regulators to help develop policies encouraging safe and responsible legislative progress. TGS Global's mission is to maximize accessibility, education, responsibility, and market share in the cannabis sector.

(b) Liquidity and Capital Resources

The Company has incurred significant operating losses since year 2018 and expects to continue to incur losses and negative cash flows from operations for at least 12 months following the issuance of the combined financial statements. As of December 31, 2019, the Company had total cash and cash equivalents of $1,856,899, negative working capital of $37,307,827 and an accumulated members' deficit of $22,679,357.

As of December 31, 2019, the Company had a total debt, net of issuance costs of $25,817,701. During the year ended December 31, 2019 and through the date of the auditor's report, the Company raised approximately $22.9 million through debt financing of which $15 million was from Columbia Care, Inc. The $15 million note from Columbia Care, Inc. will be converted into equity and all other notes payable will be paid off upon formal closing of the acquisition, see Note 13 – Subsequent Events for more information. The Company's debt agreements contain various covenants, including certain restrictions on the Company's business that could cause the Company to be at risk of defaults, such as restrictions on additional indebtedness, material adverse effect and cross default provisions. A failure to comply with covenants and other provisions of the Company's debt instruments, including any failure to make a payment when required, would generally result in events of default under such instruments, which could permit acceleration of a substantial portion of such indebtedness. If such indebtedness is accelerated, it would generally also constitute an event of default under the Company's other outstanding indebtedness, permitting acceleration of a substantial portion of such other outstanding indebtedness. At December 31, 2019, all the notes payables are classified as current due to the impending acquisition of the Company by Columbia Care, Inc. which is highly probable expected to be closed in 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The accompanying combined financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and reflect the accounts and operations of the Company.

(b) Basis of Combination

Affiliates are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of affiliates are included in the combined financial statements from the date that control commences until the date that control ceases.

The combined financial statements include the accounts of TGS Management, LLC, Beacon Holdings, LLC, and Beyond Worx Holdings, LLC (dissolved in 2019). These companies are controlled by common owners and management. On January 2, 2019, the owners and management restructured the Company where Beyond Worx Holdings, LLC was dissolved and all its interest was transferred to TGS Management, LLC and Beacon Holdings, LLC.

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 805 has provided specific guidance on common control transactions. When the parties involved were commonly controlled, the "pooling of interests" or "predecessor value" method of accounting must be used, where by the acquired assets and liabilities are recorded at their existing carrying values rather than at fair value and no goodwill is recorded in connection with the common control transaction. The transfer of entities interest from Beyond Worx Holdings, LLC to TGS Management, LLC and Beacon Holdings, LLC followed the predecessor value method.

The following are the Company's subsidiaries that are included in these combined financial statements as of December 31, 2019 and 2018:

Entities	State of Operations
TGS Management, LLC	Colorado
Beacon Holdings, LLC	Colorado
Beyong Worx Holdings, LLC*	Colorado
TGS Global, LLC	Colorado
S-Type Armored, LLC*	Colorado
Dellock Digital, LLC	Colorado
High Rise Media, LLC	Colorado
Future Vision Brain Bank, LLC	Colorado
Rocky Mountain Tillage, LLC	Colorado
The Green Solution, LLC	Colorado
Infuzionz, LLC	Colorado
Speidell Real Estate Group, LLC	Colorado
22-Twenty Five Construction, LLC	Colorado

* Includes entities dissolved in 2019 and all interests were transferred to TGS Management, LLC and Beacon Holdings, LLC, respectively

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Basis of Combination *(Continued)*

All significant intercompany balances and transactions have been eliminated in combination.

(b) Significant Accounting Judgements, Estimates and Assumptions

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

(c) Cash and Cash Equivalents

Cash and Cash Equivalents include cash deposits in financial institutions and other deposits that are readily convertible to cash. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2019 and 2018, the Company had balances in excess of insured limits totaling approximately $990,613 and $979,061, respectively. The Company has not experienced any losses in such accounts.

(d) Accounts Receivables and Expected Credit Loss

Accounts receivable are recorded at the invoiced amount and do not bear interest. Expected credit loss reflects the Company's estimate of amounts in its existing accounts receivable that may not be collected due to customer claims or customer inability or unwillingness to pay. Collectability of trade receivables is reviewed on an ongoing basis. The expected credit loss is determined based on a combination of factors, including the Company's risk assessment regarding the credit worthiness of its customers, historical collection experience and length of time the receivables are past due. Account balances are charged off against the allowance when the Company believes it is probable the receivable will not be recovered. At December 31, 2019 and 2018, the Company recorded an allowance of doubtful accounts of $11,880 and $80,852, respectively.

(e) Inventories

Inventories consist of raw materials, work-in-process and finished goods, and are initially valued at cost and subsequently at the lower of cost and net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the weighted average cost basis. The Company reviews its inventories for obsolete, redundant and slow-moving goods and any such inventories are written down to net realizable value. At December 31, 2019 and 2018, the Company recorded inventory reserves of $1,450,221 and $675,893, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation and impairment losses, if any. Expenditures that materially increase the life of the assets are capitalized. Ordinary repairs and maintenance are expensed as incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset using the following terms and methods:

Land	Not Depreciated
Buildings	40 Years
Equipment	5 Years
Furniture and Fixtures	5 Years
Leasehold Improvements	Remaining Life of Lease or Useful Life, Whichever Shorter
Vehicles	5 Years
Software	5 Years
Construction in Progress	Not Depreciated

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial statement year-end and adjusted prospectively, if appropriate. An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in operations in the year the asset is derecognized.

(g) Intangible Assets

Intangible assets consist of purchased state marijuana licenses in the State of Colorado and are classified as indefinite lived assets. These assets are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. For the years ended December 31, 2019 and 2018, the Company did not recognize any impairment losses relatively to these assets. As of December 31, 2019 and 2018, intangible assets totaled $3,192,835 and $2,212,835, respectively.

(h) Impairment of Long-Lived Assets

The Company accounts for its long-lived assets such as property and equipment and intangible assets in accordance with FASB ASC Topic No. 360, "Accounting for the Impairment or Disposal of Long-lived Assets" ("ASC 360").

Management reviews long-lived assets for impairment whenever changes in events or circumstances indicate the assets may be impaired, but no less frequently than annually. Pursuant to ASC 360, an impairment loss is to be recorded when the net book value of an asset exceeds the undiscounted cash flows expected to be generated from the use of the asset. If an asset is determined to be impaired, the asset is written down to its realizable value, and the loss is recognized in the consolidated statement of operations and changes in member's deficit in the period when the determination is made. No impairment charges for long-lived assets have been recorded for the years ended December 31, 2019 and 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(i) Leased Assets

In February 2016, the FASB issued ASU No. 2016-02 "Leases (Topic 842)" ("ASC 842"), which requires lessees to put most leases on the balance sheet but recognize expense on the income statement in a manner similar to current accounting. On January 1, 2019, the Company early adopted the standard and all related amendments, using the optional transition method (modified retrospective approach) applied to leases at the adoption date. Under the modified retrospective approach, comparative periods have not been restated and continue to be reported under the accounting standards in effect for those periods. Additionally, an adjustment was recorded to equity to account for the initial adoption of the standard. These liabilities were measured at present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The Company have finance leases which had been previously classified as "finance lease" under ASU No. 13 (Topic 840). Accounting for finance leases is substantially unchanged under ASC 842.

In the initial application of ASC 842, the Company elected the package of practical expedients permitted under the transition guidance allowing the Company to carry forward historical assessment:

- Whether the contracts are, or contain leases
- Lease classifications for any expired or existing leases
- Indirect costs for any existing leases

The Company did not elect the practical expedient allowing the use-of-hindsight which would require the Company to reassess the lease term of its leases based on all facts and circumstances through the effective date and did not elect the practical expedient pertaining to land easement as this is not applicable to the Company's current contracts. The Company elected the post-transition practical expedient to not separate lease components from non-lease components for all leases. The Company also elected a policy of not recording lease on its combined balance sheets when the lease have a term of 12 months of less and the Company is not reasonably certain to elect an option to purchase the leased assets.

Upon adoption of ASC 842, right-of-use assets were adjusted for deferred rent and prepaid as of January 1, 2019. Lease expense is recognized on a straight-line basis over the expected lease term. The Company's incremental borrowing rate is used in determining the present value of future payments at the commencement date of the lease, or for the adoption of ASC 842, at January 1, 2019. Balances related to operating leases are included in right-of-use assets and lease liabilities on the combined balance sheet.

All real estate leases are recorded on the combined balance sheet. Equipment and other non-real estate leases with an initial term of twelve months or less are not recorded on the balance sheet. Lease agreements for some locations provide for rent escalations and renewal options. Many leases include one or more options to renew the lease at the end of the initial term. The Company considered renewals in its right-of-use assets and lease liabilities. Certain real estate leases require payment for taxes, insurance and maintenance which are considered non-lease components. The Company accounts for real estate leases and the related fixed non-lease components together as a single component.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(i) Leased Assets *(Continued)*

The Company determines if an arrangement is a lease at inception. The Company must consider whether the contract conveys the right to control the use of an identified asset. Certain arrangements require significant judgment to determine if an asset is specified in the contract and if the Company directs how and for what purpose the asset is used during the term of the contract.

(j) Income Taxes

TGS Management, LLC is a limited liability company that has elected to be treated as a partnership for federal income tax purposes. Under federal law, the taxable income or loss of a limited liability company is allocated to its members. Accordingly, no provision has been made for federal income taxes.

Beacon Holdings, LLC, prior to January 1, 2018, was not subject to federal and state income taxes since it was operating as a Limited Liability Company and had elected to be taxed under Subchapter S of the Internal Revenue Code. Effective January 1, 2018, the Beacon Holdings, LLC elected to be taxed as a C corporation and, as a result, became subject to corporate federal and state income taxes.

(k) Revenue Recognition

For the years ended December 31, 2019 and 2018, the Company has adopted ASU 2014-09, “Revenue from Contracts with Customers” and all the related amendments, which are also codified into ASC 606, “Revenue from Contracts with Customers”.

Through application of this standard, the Company recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

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

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

Revenues consist of consumer packaged goods and retail sales of cannabis, which are generally recognized at a point in time when control over goods have been transferred to the customer and is recorded net of sales discounts. Payment is typically due upon transferring the goods to the customer or within a specified time period permitted under the Company’s policy. Sales discounts were not material during the years ended December 31, 2019 and 2018.

Revenue is recognized upon the satisfaction of the performance obligation. The Company satisfies its performance obligation and transfers control upon acceptance by the customer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(k) Revenue Recognition *(Continued)*

The Company offers its customers loyalty points rewards program that allows its customers to earn discounts on future purchases. Any unused discounts are recorded as a liability and recorded as a reduction of revenue at the time a qualifying purchase is made. Revenue is recognized when points are redeemed. At December 31, 2019 and 2018, loyalty program liabilities were $2,111,064 and $2,201,066, respectively.

Based on the Company's assessment, the adoption of this new standard had no impact on the amounts recognized in its combined financial statements.

(l) Fair Value of Financial Instruments

The Company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the combined financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

There were no transfers between levels during the years ended December 31, 2019 and 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(m) Recent Accounting Pronouncements *(Continued)*

(i) In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) ("ASC 842"), which will replace ASC 840, "Leases". This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. For private companies, the standard will be effective for annual periods beginning on or after December 15 2020, with earlier application permitted. The standard requires a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. The Company has early adopted this standard as of January 1, 2019. Upon early adoption of ASC 842, the Company recorded right-of-use assets of $19,874,781 and corresponding lease liabilities of $20,135,840. See Note 5 for further detail information.

(ii) In August 2018, the FASB issued ASU 2018-13, Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820). ASU 2018-13 adds, modifies, and removes certain fair value measurement disclosure requirements. For private companies, ASU 2018-13 is effective for annual beginning after December 15, 2019. The Company is currently evaluating the effect of adopting this ASU on the Company's combined financial statements.

(iii) In June 2016, the FASB issued ASC 2016-13, Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires entities to measure all expected credit losses for most financial assets held at the reporting date based on an expected loss model which includes historical experience, current conditions, an reasonable and supportable forecasts. Companies will now use forward-looking information to better form their credit loss estimates. ASU 2016-13 also requires enhanced disclosures to help financial statement users better understand significant estimates and judgements used in estimating credit losses, as well as the credit quality and underwriting standards of a company's portfolio. For private companies, ASU 2016-13 is effective for annual periods beginning after December 15, 2022. The Company does not believe that the impact of the new standard on its combined financial statements will be material.

(iv) In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740)—Simplifying the Accounting for Income Taxes, which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. For private companies, ASU 2019-12 is effective for annual periods beginning and after December 15, 2021. The Company is currently evaluating the effect of adopting this ASU on the Company's combined financial statements

3. INVENTORIES

The Company's inventories include the following at December 31, 2019 and 2018:

	2019	2018
Raw Materials	$ 1,447,634	$ 696,781
Work-in-Process	4,877,889	2,821,098
Finished Goods	4,162,214	3,114,495
Total Inventories	**$10,487,737**	**$6,632,374**

4. PROPERTY AND EQUIPMENT

At December 31, 2019 and 2018, property and equipment consisted of:

	2019	2018
Land	$ —	$ 277,311
Buildings	23,850	1,345,998
Equipment	9,672,627	9,178,947
Furniture and Fixtures	1,463,770	761,464
Leasehold Improvements	10,317,841	7,225,502
Vehicles	271,782	190,490
Software	514,333	514,333
Capital Lease Assets	—	26,710,379
Construction in Progress	1,060,550	654,014
Total Property and Equipment, Gross	23,324,753	46,858,438
Less: Accumulated Depreciation	(11,032,625)	(9,898,748)
Property and Equipment, Net	**$ 12,292,128**	**$36,959,690**

Depreciation expense for the years ended December 31, 2019 and 2018 totaled $2,895,495 and $5,162,885, respectively, of which $1,549,182 and $2,484,475, respectively, is included in cost of goods sold.

For the year ended December 31, 2019, the Company closed two sale and leaseback transactions to sell its dispensaries at Santa Fe Trail and South Federal Boulevard to TRE PAS, LLC. Under the long-term agreement, the Company will lease back the dispensaries and continue to operate and manage it. As a result of the sale, the Company disposed of $277,311 of land, $1,322,148 of buildings and $320,293 construction in progress. See Note 6 – Deferred Gains for further information regarding these two transactions.

Upon early adoption of ASC 842, $26,710,379 capital lease assets with accumulated depreciation of $1,603,743 were reclassified under finance lease right-of-use assets, net in the combined balance sheet.

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5. LEASES

Prior to the modified retrospective adoption of ASC 842 on January 1, 2019, the Company leased certain real estate in the State of Colorado and personal properties recorded under both operating and finance leases. The Company recognized rent expense for operating leases on a straight-line basis over the noncancelable lease term and recorded the difference between cash rent payments and recognition of rent expense as a deferred rent liability. Whenever any of the leases contained rent abatements and landlord or tenant incentives or allowances, the Company applied them as a straight-line rent expense over the lease term.

Upon early adoption of ASC 842, the Company applied the below accounting treatments to both its operating and finance leases.

Operating Lease Right-of-Use Assets and Liabilities

Operating lease right-of-use assets and liabilities commencing after January 1, 2019 are recognized at the commencement date based on the present value of the lease payments over the lease term. Information related to the Company's operating lease right-of-use assets and liabilities as of and for the year ended December 31, 2019 were as follows:

Operating Lease Right-of-Use Assets:	
Recognized upon early adoption of ASC 842 as of January 1, 2019	$19,874,781
Amortization expense	(1,664,570)
Operating Lease Right-of-Use Assets, Net	$18,210,211
Operating Lease Liabilities:	
Recognized upon early adoption of ASC 842 as of January 1, 2019	$20,135,840
Cash paid for amounts included in the measurement of operating lease liabilities	(1,099,149)
	19,036,691
Operating lease liabilities—Current	(865,573)
Operating lease liabilities—Net of Current Portion	$18,171,118
Supplemental Operating Lease Information:	
Operating lease costs*	$ 4,487,564
Weighted-average remaining lease term in years	4.89
Weighted-average discount rate	15%

* Amortization expense included in operating lease costs was $1,664,570, of which $1,325,572 was included in cost of goods sold.

Finance Lease Right-of-Use Assets and Liabilities

Finance lease right-of-use assets and liabilities commencing after January 1, 2019 are recognized at the commencement date based on the present value of the lease payments over the lease term.

5. LEASES *(Continued)*

Information related to the Company's finance lease right-of-use assets and liabilities as of and for the year ended December 31, 2019 were as follows:

Finance Lease Right-of-Use Assets:	
Reclassification of right-of-use assets upon early adoption of ASC 842 as of January 1, 2019	$25,106,636
Right-of-Use assets obtained in exchanged for new finance lease liabilities	6,206,523
Amortization expense	(2,550,169)
Finance Lease Right-of-Use Assets, Net	$28,762,990
Finance Lease Liabilities:	
Reclassification of finance lease liabilities upon early adoption of ASC 842	$25,960,273
New finance lease liabilities commenced	6,206,523
Cash paid for amounts included in the measurement of finance lease liabilities	(632,059)
	31,534,737
Finance lease liabilities - Current	(717,027)
Finance lease liabilities - Net of Current Portion	$30,817,710
Supplemental Finance Lease Information:	
Amortization expense included in operating expenses	$ 1,329,763
Amortization expense included in cost of revenues	$ 1,220,406
Interest on lease liabilities	$ 4,658,432
Weighted-average remaining lease term in years	13.07
Weighted-average discount rate	15%

Maturities of operating and finance lease liabilities as of December 31, 2019 are expected to be as follows:

Year Ending December 31,	Operating leases	Finance leases	Total
2020	$ 3,621,939	$ 6,094,439	$ 9,716,378
2021	3,591,390	5,821,683	9,413,073
2022	3,440,905	5,553,459	8,994,364
2023	3,389,866	5,720,248	9,110,114
2024	3,273,080	5,891,857	9,164,937
Thereafter	23,417,934	49,290,526	72,708,460
Total lease payments	40,735,114	78,372,212	119,107,326
Less: imputed interest	(21,698,423)	(46,837,475)	(68,535,898)
Total lease liabilities	19,036,691	31,534,737	50,571,428
Less: current portion	(865,573)	(717,027)	(1,582,600)
Long-term portion	$ 18,171,118	$ 30,817,710	$ 48,988,828

6. DEFERRED GAINS

Transactions Prior to January 1, 2019

Under ASC 840, any resulting gains or losses from sale and leaseback transactions that are classified to be operating leases will generally be recognized immediately. However, in certain circumstances, the gain may be deferred. For sale and leaseback transactions that are classified to be capital leases, any resulting gains are recognized over the lease term or in the case of losses recognized immediately. During the year ended December 31, 2018, the Company entered into several sale and leaseback transactions and determined that certain transactions should be classified as capital leases as defined under ASC 840. All other sale and leaseback transactions were recorded as operating leases. The combined total proceeds for all operating and capital sale and leaseback transactions were $36,205,000. At December 31, 2018, the Company recognized deferred gain and losses of $4,469,483 and $1,908,348, respectively.

As of December 31, 2018, the total deferred gains recorded for the sale and leaseback transactions were as follows:

Net gain from sale and leaseback transactions	$2,798,957
Add losses immediately recognized	1,908,348
Deferred gains from sale and leaseback transactions	4,707,305
Deferred gains amortized and recognized during the year	(237,822)
Net deferred gains at the end of year	4,469,483
Less current portion of deferred gains	(405,040)
Deferred Gains, Net of Current Portion	$4,064,443

Transactions After January 1, 2019

Upon transition to ASC 842 on January 1, 2019, the Company recorded an adjustment of $715,161 to equity. The adjustment to equity was driven by unamortized deferred gains from the Company's operating sale and leaseback transactions under ASC 840. Gains on sale previously recorded under ASC 840 as capital sale and leaseback continued to be amortized over the remaining term of the lease.

Under ASC 842, related gains and losses for leases qualified for sale and leaseback transactions are recognized immediately. During the year ended December 31, 2019, the Company entered into two sale and leaseback transactions. Net losses recognized were $132,878, and are included in the combined statements of operations for the year ended December 31, 2019. Finance lease right-of-use assets of $1,789,734 and finance lease liabilities of $1,789,734 were recognized upon execution of the transactions, respectively.

6. DEFERRED GAINS *(Continued)*

As of December 31, 2019, the total deferred gain recorded for historical sale and leaseback transactions was as follows:

Deferred gain from sale and leaseback under ASC 840	$4,469,483
Adjustment upon early adoption of ASC 842	(715,161)
Deferred gains at initial adoption	3,754,322
Deferred gains amortized and recognized during the Year	(333,956)
Net deferred gains at the end of year	3,420,366
Less current portion of deferred gains	(356,725)
Deferred Gains, Net of Current Portion	$3,063,641

Deferred gains are amortized on a straight-line basis over the term of the lease as follows:

Year Ending December 31,	Total
2020	$ 356,725
2021	356,725
2022	356,725
2023	356,725
2024	356,725
Thereafter	1,636,741
	$3,420,366

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7. NOTES PAYABLE

At December 31, 2019 and 2018, notes payable consisted of the following:

	2019	2018
Secured promissory notes dated February 13, 2018, issued to refinance property acquisition loans, which originally mature on February 13, 2020 and extended to January 29, 2021, bearing interest at rates of 15% - 18% per annum.	$ 9,413,434 *	$ 9,256,099
Unsecured promissory note dated October 28, 2016, issued to obtain a working capital loan, which originally matured on October 28, 2019 and extended to February 2020, bearing a fixed interest charge and requires minimum monthly payments.	398,017	406,415
Secured promissory notes dated between January 1, 2016 to February 14, 2018, issued to obtain working capital loans, all of which mature through July 7, 2020, bearing interest at rates of 15% - 22% per annum.	30,000	819,037
Promissory notes dated August 1, 2019, issued to obtain a working capital loan, which mature on August 1, 2021, bearing a fixed interest rate at 15% per annum.	976,250	—
Secured promissory note dated November 5, 2019, issued to obtain working capital and meet repayment obligations during pending closing of acquisition period, which matures on May 5, 2021, bearing a fixed interest rate at 15% per annum	15,000,000	—
Total Notes Payable	25,817,701**	10,481,551
Less Current Portion of Notes Payable	(25,817,701)	(740,331)
Notes Payable, Net of Current Portion	$ —	$ 9,741,220

* On January 29, 2020, $9.4 million promissory note is assumed by a third party through a membership interest acquisition of a related entity, TGS Illinois, LLC which majority-owned by the principal members of the Company. Please see further detail in Note 13 – Subsequent Events.

** In November 2019, Columbia Care, Inc. has entered into a definitive agreement to purchase 100% of the Company's interest in 2020. All notes payables are expected to be paid off in 2020 upon formal closing of the purchases.

8. MEMBERS' DEFICIT

Beacon Holdings, LLC, TGS Management, LLC and Beyond Worx Holdings, LLC were formed as Colorado limited liability companies on April 18, 2014, October 31, 2011, and November 12, 2009, respectively. Allocations of profits and losses of Beacon Holdings, LLC, TGS Management, LLC and Beyond Worx Holdings, LLC for each fiscal year have been allocated among unitholders in proportion to their member units. No member has the right to transfer any or part of their membership interest without express written permission of a vote of members. As of December 31, 2019 and 208, total members distributions amounted to $2,546,892 and $6,394,320, respectively.

On January 2, 2019, Beyond Worx Holdings, LLC was dissolved and its interest was transferred to TGS Management, LLC and Beacon Holdings, LLC, respectively.

9. RELATED PARTY TRANSACTIONS

(a) Due from Related Parties

On occasion, the Company advances funds to some of its related entities. At December 31, 2018, the Company had amounts due from TGS Illinois, LLC and TGS Nationals Holdings, LLC of $481,199. The amounts due are non-interest bearing and due on demand. There is no amount due from related parties at December 31, 2019.

(b) Related party transactions

Total compensation for the four principal owners of the Company for the years ended December 31, 2019 and 2018 were $715,276 and $1,456,943, respectively, which were included in general and administrative expenses in the combined statements of operations.

10. GENERAL AND ADMINISTRATIVE EXPENSES

For the years ended December 31, 2019 and 2018, general and administrative expenses were comprised of the following:

	2019	2018
Salaries and Wages	$16,499,970	$18,049,725
Rent	3,255,554	2,388,904
Professional Fees	2,893,998	2,604,660
Utilities	1,018,657	749,745
Bank Charges	226,928	1,049,124
Contract Labor	88,441	928,504
Supplies	760,532	636,650
Insurance	489,043	474,316
Repairs and Maintenance	265,136	336,300
Other	2,320,085	879,753
	$27,818,344	**$28,097,681**

11. INCOME TAXES

The provision from income taxes for the years ended December 31, 2019 and 2018 were as follows:

	2019	2018
Current:		
Federal	$ 6,134,833	$6,110,382
State	309,509	17,481
Total Current Tax Expense	6,444,342	6,127,863
Deferred:		
Federal	(1,622,685)	334,653
State	(422,370)	142,116
Total Deferred Tax Expense	(2,045,055)	476,769
Total Tax Provision	$ 4,399,287	$6,604,632

The types of temporary differences that give rise to significant portions of the Company's deferred tax assets and liabilities as of December 31, 2019 and 2018 are set forth below:

	2019	2018
Deferred Tax Assets (Liabilities):		
Right-of-Use Assets and Lease Liabilities	$ 89,924	$ —
Property and Equipment and Intangible Assets	154,252	(603,504)
Reserves and Allowances	378,698	50,896
Deferred Revenue	872,192	—
Accrued Bonus	21,514	—
Other	51,706	75,839
Total Deferred Tax Assets (Liabilities)	$1,568,286	$(476,769)

As the Company operates in the cannabis industry, it is subject to the limits of U.S. IRC Section 280E under which the Company is only allowed to deduct expenses directly related to sales of product. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under U.S. IRC Section 280E.

Federal tax laws impose significant restrictions on the utilization of net operating loss carryforwards in the event of a change in ownership of the Company, as defined by Internal Revenue Code Section 382 (Section 382). The Company does not believe a change in ownership, as defined by Section 382, has occurred but a formal study has not been completed. The Company has no net operating loss carryforwards for federal and Colorado income tax purposes.

11. INCOME TAXES *(Continued)*

The Company adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 199 ("FIN48") as of January 1, 2018, which now codified primarily under ASC Topic No. 740. FIN48 requires companies to determine whether it is "most likely than not" that a tax position will be sustained upon examination by the appropriate taxing authorities before any tax benefit can be recorded in the financial statements. It also provides guidance on the recognition, measurement, classification and interest and penalties related to uncertain tax positions.

Additionally, ASC 740-10 specifies that tax positions for which the timing of the ultimate resolution is uncertain should be recognized as long-term liabilities. The Company made no reclassifications between current taxes payable and long-term tax payable upon adoption of ASC 740-10. Our policy is to record interest related to uncertain tax positions as interest and any penalties as part of the income tax expense. As of December 31, 2019 and 2018, there were no unrecognized tax benefits recorded.

In assessing the realizability of deferred tax assets, the Company considers it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company has not recorded a valuation allowance on its deferred tax asset balances in the current year, as it believes it is more likely than not that the full deferred tax asset balance will be realized.

12. COMMITMENTS AND CONTINGENCIES

The Company is subject to lawsuits, investigations and other claims related to employment, commercial and other matters that arise out of operations in the normal course of business. Periodically, the Company reviews the status of each significant matter and assesses the potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable, and the amount can be reliably estimated, such amount is recognized in other liabilities. Contingent liabilities are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material. The Company performs evaluations to identify onerous contracts and, where applicable, records contingent liabilities for such contracts.

(a) Contingencies

The Company's operations are subject to a variety of local and state regulation. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management of the Company believes that the Company is in compliance with applicable local and state regulation as of December 31, 2019, medical marijuana regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties or restrictions in the future.

12. COMMITMENTS AND CONTINGENCIES *(Continued)*

(b) Claims and Litigation

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2019, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the Company's combined results of operations. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

13. SUBSEQUENT EVENTS

Management has evaluated significant events or transactions that have occurred since the combined balance sheet date and through June 1, 2020, the date the combined financial statements were available to be issued. The subsequent events noted are as follows:

(a) Acquisition by Columbia Care, Inc.

On November 5, 2019, Columbia Care, Inc. has entered into a definitive agreement to acquire 100% of TGS Global. As consideration for the acquisition, Columbia Care, Inc. will deliver approximately $140 million through 33,222,900 shares in the form of common stocks and $15 million in the form of a promissory note which will be converted into equity. In addition, Columbia Care, Inc. will be required to increase purchase consideration if certain financial targets are met. The transaction is expected to close in the third quarter of 2020.

(b) Assumption of Note Payable

On January 29, 2020, the principal members of the Company closed a membership interest acquisition with a third party, Jushi, Inc. for TGS Illinois, LLC, a related entity which majority-owned by the principal members. As part of the transaction, Jushi Inc. received membership interest of TGS Illinois, LLC from the principal members and assumed $9.4 million promissory note plus any unpaid accrued interest on behalf of the Company. The principal members immediately contributed the assumption of the note payable to the Company.

(c) COVID – 19 Pandemic

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including those of the Company. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

TGS GLOBAL

UNAUDITED COMBINED FINANCIAL STATEMENTS

AS OF JUNE 30, 2020 AND
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

TGS GLOBAL
INDEX TO COMBINED FINANCIAL STATEMENTS

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Members of TGS Global
Denver, Colorado

We have reviewed the accompanying combined financial statements of TGS Global (the "Company"), which comprise the combined balance sheet as of June 30, 2020, and the related combined statements of operations, changes in members' deficit, and cash flows for the six-month period then ended, and the related notes to the combined financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the combined financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of TGS Global and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying combined financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Los Angeles, California
May 18, 2021

Macias Gini & O'Connell LLP
700 South Flower St., Suite 800
Los Angeles, CA 90017

www.mgocpa.com

TGS GLOBAL
Combined Balance Sheet
June 30, 2020 (Unaudited)

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 3,132,888
Accounts Receivables	355,230
Prepaid Expenses and Other Current Assets	1,306,191
Inventories - Net	9,133,930
Total Current Assets	13,928,239
Property and Equipment - Net	12,254,302
Finance Lease Right-of-Use Assets - Net	26,909,292
Operating Lease Right-of-Use Assets - Net	18,090,790
Intangible Assets	3,192,835
Deposits and Other Assets	2,193,699
Deferred Tax Assets	1,568,286
TOTAL ASSETS	**$ 78,137,443**
LIABILITIES AND MEMBERS' DEFICIT	
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	$ 10,702,516
Loyalty Program Liabilities	2,384,825
Finance Lease Liabilities - Current	1,036,985
Operating Lease Liabilities - Current	989,846
Deferred Gains - Current	405,040
Notes Payable - Current	17,525,344
Income Taxes Payable	12,451,706
Total Current Liabilities	45,496,262
Finance Lease Liabilities - Net of Current Portion	30,402,141
Operating Lease Liabilities - Net of Current Portion	18,039,176
Deferred Gains - Net of Current Portion	2,841,152
TOTAL LIABILITIES	**96,778,731**
TOTAL MEMBERS' DEFICIT	**(18,641,288)**
TOTAL LIABILITIES AND MEMBERS' DEFICIT	**$ 78,137,443**

The accompanying notes are an integral part of these combined financial statements

TGS GLOBAL
Combined Statement of Operations
Six-Month Period Ended June 30, 2020 (Unaudited)

Revenues, Net of Discounts	$42,050,812
Cost of Goods Sold	20,740,266
Gross Profit	21,310,546
Operating Expenses:	
General and Administrative	17,173,623
Selling and Marketing	855,096
Depreciation and amortization	1,867,140
Total Expenses	19,895,859
Income from Operations	1,414,687
Other Income (Expense)	
Interest Expense - Net	(2,694,532)
Loan Fee Amortization	(20,850)
Other Expense	(253,006)
Total Other Income (Expenses)	(2,968,388)
Loss Before Provision for Income Taxes	(1,553,701)
Provision for Income Taxes	3,789,281
Net Loss	**$ (5,342,982)**

The accompanying notes are an integral part of these combined financial statements

TGS GLOBAL
Combined Statement of Changes in Members' Deficit
Six-Month Period Ended June 30, 2020

BEGINNING BALANCE AT JANUARY 1, 2020	**$(22,679,357)**
Net Loss	(5,342,982)
Contributions by Members	9,438,464
Distributions to Members	(57,413)
ENDING BALANCE AT JUNE 30, 2020	**$(18,641,288)**

The accompanying notes are an integral part of these combined financial statements

TGS GLOBAL
Combined Statement of Cash Flows
Six-Month Period Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Loss	$(5,342,982)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities:	
Depreciation of Property and Equipment	1,517,852
Amortization of Operating Lease Right-of-Use Assets	557,418
Amortization of Finance Lease Right-of-Use Assets	1,853,698
Amortization of Deferred Gains	(174,174)
Changes in Operating Assets and Liabilities:	
Accounts Receivable	(219,657)
Prepaid Expenses and Other Current Assets	296,095
Inventories	1,353,807
Deposits and Other Assets	460,790
Accounts Payable and Accrued Liabilities	(72,291)
Loyalty Program Liabilities	273,761
Income Taxes Payable	1,704,281
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,208,598
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of Property and Equipment	(1,480,026)
Purchase of Operating Lease Right-of-Use Assets	(437,997)
NET CASH USED IN INVESTING ACTIVITIES	(1,918,023)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal Repayments of Notes Payable	(396,736)
Proceeds from Issuance of Notes Payable	1,535,174
Payments of Finance Lease Liabilities	(95,611)
Distributions to Members	(57,413)
NET CASH PROVIDED BY FINANCING ACTIVITIES	985,414
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,275,989
CASH AND CASH EQUIVALENTS, DECEMBER 31, 2019	1,856,899
CASH AND CASH EQUIVALENTS, JUNE 30, 2020	$ 3,132,888
CASH PAID DURING THE SIX-MONTH PERIOD FOR:	
Interest	$ 75,000
Taxes	$ 2,085,000
NON-CASH FINANCING ACTIVITIES:	
Members Contributions of a Related Party Note Payable to the Company	$ 9,438,464

The accompanying notes are an integral part of these combined financial statements

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

1. NATURE OF OPERATIONS

Business Description

TGS Global is comprised of the following companies: TGS Management, LLC, Beacon Holdings, LLC, and Beyond Worx Holdings, LLC (dissolved in 2019) (collectively known as "TGS Global" or the "Company", and dba "The Green Solution").

TGS Global was formed in October 2010 for the purpose of selling recreational and related cannabis products in the state of Colorado. In that regard, TGS Global owns and operates vertically integrated cultivation facilities, manufacturing facilities and retail dispensaries in the State of Colorado.

TGS's dispensary model is driven by innovation and consumer relationships. Additionally, TGS Global works with regulators to help develop policies encouraging safe and responsible legislative progress. TGS Global's mission is to maximize accessibility, education, responsibility, and market share in the cannabis sector.

COVID – 19 Pandemic

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including those of the Company. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's combined business or results of operations at this time.

Liquidity and Capital Resources

At June 30, 2020, the Company has a working capital deficiency of $31,568,023 and a members' deficit of $18,641,288. Furthermore, for the six-month period ended June 30, 2020, the Company has a net loss from operations of $5,342,982. The Company's management continues to finance its cash needs through contributions from its members and/or related parties. If management is unsuccessful in its efforts to generate profitable operations and/or continue to receive financial support, the Company may not be able to continue as a going concern. The ability of the Company to continue as a going concern and to meet its obligations will be dependent upon successful operations and cash flows. The accompanying combined financial statements do not reflect any adjustment that might result from the outcome of this uncertainty.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The accompanying combined financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and reflect the combined accounts and operations of the Company.

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of Combination

Affiliates are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of affiliates are included in the combined financial statements from the date that control commences until the date that control ceases.

The combined financial statements include the accounts of TGS Management, LLC, Beacon Holdings, LLC, and Beyond Worx Holdings, LLC (dissolved in 2019). These companies are controlled by common owners and management. On January 2, 2019, the owners and management restructured the Company where Beyond Worx Holdings, LLC was dissolved and all its interest was transferred to TGS Management, LLC and Beacon Holdings, LLC.

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 805 has provided specific guidance on common control transactions. When the parties involved were commonly controlled, the "pooling of interests" or "predecessor value" method of accounting must be used, where by the acquired assets and liabilities are recorded at their existing carrying values rather than at fair value and no goodwill is recorded in connection with the common control transaction. The transfer of entities interest from Beyond Worx Holdings, LLC to TGS Management, LLC and Beacon Holdings, LLC followed the predecessor value method.

The following are the Company's subsidiaries that are included in these combined financial statements as of June 30, 2020:

Entities	State of Operations
TGS Management, LLC	Colorado
Beacon Holdings, LLC	Colorado
TGS Global, LLC	Colorado
Dellock Digital, LLC	Colorado
High Rise Media, LLC	Colorado
Future Vision Brain Bank, LLC	Colorado
Rocky Mountain Tillage, LLC	Colorado
The Green Solution, LLC	Colorado
Infuzionz, LLC	Colorado
Speidell Real Estate Group, LLC	Colorado
22-Twenty Five Construction, LLC	Colorado
420 On the Block, LLC	Colorado

All significant intercompany balances and transactions have been eliminated in combination.

Significant Accounting Judgements, Estimates and Assumptions

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

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Cash and Cash Equivalents

Cash and Cash Equivalents include cash deposits in financial institutions and other deposits that are readily convertible to cash. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At June 30, 2020, the Company had balances in excess of insured limits totaling approximately $2,586,404. The Company has not experienced any losses in such accounts.

Accounts Receivables and Expected Credit Loss

Accounts receivable are recorded at the invoiced amount and do not bear interest. Expected credit loss reflects the Company's estimate of amounts in its existing accounts receivable that may not be collected due to customer claims or customer inability or unwillingness to pay. Collectability of trade receivables is reviewed on an ongoing basis. The expected credit loss is determined based on a combination of factors, including the Company's risk assessment regarding the credit worthiness of its customers, historical collection experience and length of time the receivables are past due. Account balances are charged off against the allowance when the Company believes it is probable the receivable will not be recovered. At June 30, 2020, the Company did not record an allowance for doubtful accounts.

Inventories

Inventories consist of raw materials, work-in-process and finished goods, and are initially valued at cost and subsequently at the lower of cost and net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the weighted average cost basis. The Company reviews its inventories for obsolete, redundant and slow-moving goods and any such inventories are written down to net realizable value. At June 30, 2020, the Company recorded inventory reserves of $671,507.

Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation and impairment losses, if any. Expenditures that materially increase the life of the assets are capitalized. Ordinary repairs and maintenance are expensed as incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset using the following terms and methods:

Land	Not Depreciated
Buildings	40 Years
Equipment	5 Years
Furniture and Fixtures	5 Years
Leasehold Improvements	Remaining Life of Lease or Useful Life, Whichever Shorter
Vehicles	5 Years
Software	5 Years
Construction in Progress	Not Depreciated

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property and Equipment *(Continued)*

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial statement year-end and adjusted prospectively, if appropriate. An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in operations in the year the asset is derecognized.

Intangible Assets

Intangible assets consist of purchased state marijuana licenses in the State of Colorado and are classified as indefinite lived assets. These assets are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. For the six-month period ended June 30, 2020, the Company did not recognize any impairment losses relatively to these assets. As of June, 30, 2020, intangible assets totaled $3,192,835.

Impairment of Long-Lived Assets

The Company accounts for its long-lived assets such as property and equipment and intangible assets in accordance with FASB ASC Topic No. 360, "Accounting for the Impairment or Disposal of Long-lived Assets" ("ASC 360").

Management reviews long-lived assets for impairment whenever changes in events or circumstances indicate the assets may be impaired, but no less frequently than annually. Pursuant to ASC 360, an impairment loss is to be recorded when the net book value of an asset exceeds the undiscounted cash flows expected to be generated from the use of the asset. If an asset is determined to be impaired, the asset is written down to its realizable value, and the loss is recognized in the combined statement of operations and changes in member's deficit in the period when the determination is made. No impairment charges for long-lived assets have been recorded for the six-month period ended June 30, 2020.

Leased Assets

In February 2016, the FASB issued ASU No. 2016-02 "Leases (Topic 842)" ("ASC 842"), which requires lessees to put most leases on the balance sheet but recognize expense on the income statement in a manner similar to current accounting. On January 1, 2019, the Company early adopted the standard and all related amendments, using the optional transition method (modified retrospective approach) applied to leases at the adoption date. The Company have finance leases which had been previously classified as "finance lease" under ASU No. 13 (Topic 840). Accounting for finance leases is substantially unchanged under ASC 842.

In the initial application of ASC 842, the Company elected the package of practical expedients permitted under the transition guidance allowing the Company to carry forward historical assessment:

- Whether the contracts are, or contain leases
- Lease classifications for any expired or existing leases
- Indirect costs for any existing leases

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leased Assets *(Continued)*

The Company also elected a policy of not recording a lease on its combined balance sheets when the lease has a term of 12 months of less and the Company is not reasonably certain to elect an option to purchase the leased assets.

Upon adoption of ASC 842, right-of-use assets were adjusted for deferred rent and prepaid as of January 1, 2019. Lease expense is recognized on a straight-line basis over the expected lease term. The Company's incremental borrowing rate is used in determining the present value of future payments at the commencement date of the lease, or for the adoption of ASC 842, at January 1, 2019. Balances related to operating leases are included in right-of-use assets and lease liabilities on the combined balance sheet. Upon adoption of ASC 842, right-of-use assets were adjusted for deferred rent and prepaid as of January 1, 2019. Lease expense is recognized on a straight-line basis over the expected lease term. The Company's incremental borrowing rate is used in determining the present value of future payments at the commencement date of the lease, or for the adoption of ASC 842, at January 1, 2019. Balances related to operating leases are included in right-of-use assets and lease liabilities on the combined balance sheet.

All real estate leases are recorded on the combined balance sheet. Equipment and other non-real estate leases with an initial term of twelve months or less are not recorded on the balance sheet. Lease agreements for some locations provide for rent escalations and renewal options. Many leases include one or more options to renew the lease at the end of the initial term. The Company considered renewals in its right-of-use assets and lease liabilities. Certain real estate leases require payment for taxes, insurance and maintenance which are considered non-lease components. The Company accounts for real estate leases and the related fixed non-lease components together as a single component.

Revenue Recognition

The Company has adopted ASU 2014-09, "Revenue from Contracts with Customers" and all the related amendments in 2019, which are also codified into ASC 606, "Revenue from Contracts with Customers".

Through application of this standard, the Company recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

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

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

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue Recognition *(Continued)*

Revenues consist of consumer packaged goods and retail sales of cannabis, which are generally recognized at a point in time when control over goods have been transferred to the customer and is recorded net of sales discounts. Payment is typically due upon transferring the goods to the customer or within a specified time period permitted under the Company's policy. Wholesales discounts were not material during the six-month period ended June 30, 2020.

Revenue is recognized upon the satisfaction of the performance obligation. The Company satisfies its performance obligation and transfers control upon acceptance by the customer.

The Company offers its customers loyalty points rewards program that allows its customers to earn discounts on future purchases. Loyalty points are earned when a qualifying purchase is made. Earned loyalty points are recorded as a reduction of revenue. Revenue is recognized when points are redeemed. At June 30, 2020, loyalty program liabilities were $2,384,825. The reward points can be used in future purchases. When a customer attains each 100 points which worth $5 credit, the customer can redeem the credits on his/her next in-store purchase. In addition, loyalty points not redeemed will expire automatically after six months from the date which were earned.

Income Taxes

TGS Management, LLC is a limited liability company that has elected to be treated as a partnership for federal income tax purposes. Under federal law, the taxable income or loss of a limited liability company is allocated to its members. Accordingly, no provision has been made for federal income taxes.

As the Company operates in the cannabis industry, it is subject to the limits of U.S. IRC Section 280E under which the Company is only allowed to deduct expenses directly related to sales of product. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under U.S. IRC Section 280E.

Federal tax laws impose significant restrictions on the utilization of net operating loss carryforwards in the event of a change in ownership of the Company, as defined by Internal Revenue Code Section 382 (Section 382). The Company does not believe a change in ownership, as defined by Section 382, has occurred but a formal study has not been completed. The Company has no net operating loss carryforwards for federal and Colorado income tax purposes.

The Company adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 199 ("FIN48") as of January 1, 2018, which now codified primarily under ASC Topic No. 740. FIN48 requires companies to determine whether it is "most likely than not" that a tax position will be sustained upon examination by the appropriate taxing authorities before any tax benefit can be recorded in the financial statements. It also provides guidance on the recognition, measurement, classification and interest and penalties related to uncertain tax positions.

Additionally, ASC 740-10 specifies that tax positions for which the timing of the ultimate resolution is uncertain should be recognized as long-term liabilities. The Company made no reclassifications between current taxes payable and long-term tax payable upon adoption of ASC 740-10. Our policy is to record interest related to uncertain tax positions as interest and any penalties as part of the income tax expense. As of June 30, 2020, there were no unrecognized tax benefits recorded.

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income Taxes (Continued)

In assessing the realizability of deferred tax assets, the Company considers it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company has not recorded a valuation allowance on its deferred tax asset balances in the current year, as it believes it is more likely than not that the full deferred tax asset balance will be realized.

Beacon Holdings, LLC, prior to January 1, 2018, was not subject to federal and state income taxes since it was operating as a Limited Liability Company and had elected to be taxed under Subchapter S of the Internal Revenue Code. Effective January 1, 2018, the Beacon Holdings, LLC elected to be taxed as a C corporation and, as a result, became subject to corporate federal and state income taxes.

Fair Value of Financial Instruments

The Company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the combined financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable markets data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management’s estimate of assumptions that market participants would use in pricing the asset or liability.

There were no transfers between levels during the six-month period ended June 30, 2020.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASC 2016-13, Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires entities to measure all expected credit losses for most financial assets held at the reporting date based on an expected loss model which includes historical experience, current conditions, an reasonable and supportable forecasts. Companies will now use forward-looking information to better form their credit loss estimates. ASU 2016-13 also requires enhanced disclosures to help financial statement users better understand significant estimates and judgements used in estimating credit losses, as well as the credit quality and underwriting standards of a company’s portfolio. For private companies, ASU 2016-13 is effective for annual periods

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Recent Accounting Pronouncements *(Continued)*

beginning after December 15, 2022. The Company does not believe that the impact of the new standard on its combined financial statements will be material.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740) - Simplifying the Accounting for Income Taxes, which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. For private companies, ASU 2019-12 is effective for annual periods beginning and after December 15, 2021. The Company is currently evaluating the effect of adopting this ASU on its combined financial statements.

3. INVENTORIES

The Company's inventories include the following at June 30, 2020:

Raw Materials	$1,127,464
Work-in-Process	4,098,552
Finished Goods	3,907,914
Total Inventories	**$9,133,930**

4. PROPERTY AND EQUIPMENT

At June 30, 2020, property and equipment consisted of:

Buildings	$ 23,850
Equipment	10,202,006
Furniture and Fixtures	1,675,310
Leasehold Improvements	11,019,155
Vehicles	286,283
Software	514,332
Construction in Progress	1,155,994
Total Property and Equipment	24,876,930
Less: Accumulated Depreciation	(12,622,628)
Property and Equipment, Net	**$ 12,254,302**

Depreciation expense for the six-month period ended June 30, 2020, totaled $1,517,852 of which $719,827 is included in cost of goods sold.

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

5. LEASES

Information related to the Company's operating lease right-of-use assets and liabilities as of and for the six-month period ended June 30, 2020, were as follows:

Operating Lease Right-of-Use Assets:	
Beginning Balance as of January 1, 2020	$18,210,211
Additions	437,997
Amortization expense	(557,418)
Operating Lease Right-of-Use Assets, Net	$18,090,790
Operating Lease Liabilities:	
Beginning Balance as of January 1, 2020	$19,036,691
Additions	431,177
Cash paid for amounts included in the measurement of operating lease liabilities	(438,846)
	19,029,022
Operating lease liabilities - Current	(989,846)
Operating lease liabilities - Net of Current Portion	$18,039,176
Supplemental Operating Lease Information:	
Operating lease costs	$ 2,043,118
Weighted-average remaining lease term in years	4.39
Weighted-average discount rate	15%

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

5. LEASES *(Continued)*

Information related to the Company's finance lease right-of-use assets and liabilities as of and for the six-month period ended June 30, 2020, were as follows:

Finance Lease Right-of-Use Assets:	
Beginning Balance as of January 1, 2020	$28,762,990
Amortization expense	(1,853,698)
Finance Lease Right-of-Use Assets, Net	$26,909,292
Finance Lease Liabilities:	
Beginning Balance as of January 1, 2020	$31,534,737
Cash paid for amounts included in the measurement of finance lease liabilities	(95,611)
	31,439,126
Finance lease liabilities - Current	(1,036,985)
Finance lease liabilities - Net of Current Portion	$30,402,141
Supplemental Finance Lease Information:	
Amortization expense included in operating expenses	$ 1,018,100
Amortization expense included in cost of revenues	$ 790,543
Interest on finance lease liabilities	$ 2,495,886
Weighted-average remaining lease term in years	12.57
Weighted-average discount rate	15%

Maturities of operating and finance lease liabilities as of June 30, 2020, are expected to be as follows:

Period Ending June 30,	Operating leases	Finance leases	Total
2021	$ 3,701,981	$ 5,723,278	$ 9,425,259
2022	3,618,250	5,696,377	9,314,627
2023	3,536,086	5,860,719	9,396,805
2024	3,488,427	5,805,306	9,293,733
2025	3,342,264	5,979,465	9,321,729
Thereafter	21,646,817	46,570,646	68,217,463
Total lease payments	39,333,825	75,635,791	114,969,616
Less: imputed interest	(20,304,803)	(44,196,665)	(64,501,468)
Total lease liabilities	19,029,022	31,439,126	50,468,148
Less: current portion	(989,846)	(1,036,985)	(2,026,831)
Long-term portion	$ 18,039,176	$ 30,402,141	$ 48,441,317

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

6. DEFERRED GAINS

During 2019, the Company closed two sale and leaseback transactions to sell its dispensaries at Santa Fe Trail and South Federal Boulevard to The PAS, LLC. Under the Long-term agreement, the Company continues to operate and manage the dispensaries.

As of June 30, 2020, the total deferred gains are as follows:

Deferred gains from sale and leaseback transactions as of January 1, 2020	$3,420,366
Deferred gains amortized and recognized during the six-month period ended June 30, 2020	(174,174)
Net deferred gains as of June 30, 2020	3,246,192
Less current portion of deferred gains	(405,040)
Deferred Gains, Net of Current Portion	$2,841,152

Deferred gains are amortized on a straight-line basis over the term of the lease as follows:

Period Ending June 30,	Total
2021	$ 356,725
2022	356,725
2023	356,725
2024	356,725
2025	356,725
Thereafter	1,462,567
	$3,246,192

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

7. NOTES PAYABLE

At June 30, 2020, notes payable consisted of the following:

Promissory notes dated August 1, 2019, issued to obtain a working capital loan. Note matures on August 1, 2021, and bears a fixed interest rate at 15% per annum.	$ 982,500
Secured promissory note dated November 5, 2019, issued to obtain working capital and meet repayment obligations. Note matures on May 5, 2021, and bears a fixed interest rate at 15% per annum.	16,542,844
Total Notes Payable	17,525,344
Less Current Portion of Notes Payable	(17,525,344)
Notes Payable, Net of Current Portion	$ —

In November 2019, Columbia Care, Inc. entered into a definitive agreement to purchase 100% of the Company's interest in 2020. All notes payables were subsequently paid off in 2020 as part of the purchase consideration for acquisition by Columbia Care, Inc. See Note 13.

8. MEMBERS' DEFICIT

Beacon Holdings, LLC, TGS Management, LLC and Beyond Worx Holdings, LLC were formed as Colorado limited liability companies on April 18, 2014, October 31, 2011, and November 12, 2009, respectively. Allocations of profits and losses of Beacon Holdings, LLC, TGS Management, LLC and Beyond Worx Holdings, LLC for each fiscal year have been allocated among unitholders in proportion to their member units. No member has the right to transfer any or part of their membership interest without express written permission of a vote of members.

On January 2, 2019, Beyond Worx Holdings, LLC was dissolved and its interest was transferred to TGS Management, LLC and Beacon Holdings, LLC, respectively.

On January 29, 2020, the principal members of the Company closed a membership interest acquisition with a third party, Jushi, Inc. for TGS Illinois, LLC, a related entity which is majority-owned by the principal members. As part of the transaction, Jushi Inc. received a membership interest in of TGS Illinois, LLC from the principal members and assumed a $9.4 million promissory note plus any unpaid accrued interest on behalf of the Company. The principal members immediately contributed the assumption of the note payable to the Company.

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

9. RELATED PARTY TRANSACTIONS

Total compensation for the four principal owners of the Company for the six-month ended June 30, 2020, were $1,457,271. These amounts are included in general and administrative expenses in the combined statement of operations.

10. GENERAL AND ADMINISTRATIVE EXPENSES

For the six-month period ended June 30, 2020, general and administrative expenses were comprised of the following:

Salaries and Wages	$12,853,292
Rent	2,463,207
Professional Fees	521,289
Utilities	585,710
Bank Charges	75,845
Contract Labor	93,546
Supplies	408,494
Insurance	165,813
Repairs and Maintenance	207,110
Other	(200,683)
	$17,173,623

11. CONTINGENCIES

The Company's operations are subject to a variety of local and state regulation. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management of the Company believes that the Company is in compliance with applicable local and state regulation as of June 30, 2020, medical marijuana regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties or restrictions in the future.

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of June 30, 2020, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the Company's combined results of operations. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

TGS GLOBAL
Notes to the Combined Financial Statements
Six-Month Period Ended June 30, 2020

12. INCOME TAXES

The provision from income taxes for the six-month period ended June 30, 2020, were as follows:

Current:	
Federal	$3,692,157
State	97,123
Total Current Tax Expense	3,789,281
Deferred:	
Federal	—
State	—
Total Deferred Tax Expense	—
Total Tax Provision	$3,789,281

13. SUBSEQUENT EVENTS

Management has evaluated significant events or transactions that have occurred since the combined balance sheet date and through May 18, 2021, the date the combined financial statements were available to be issued. The subsequent event noted is as follows:

Acquisition by Columbia Care, Inc.

On November 5, 2019, Columbia Care, Inc. entered into a definitive agreement to acquire 100% of TGS Global for an aggregate purchase price of $143,581,000 consisting of; $200,000 in cash consideration, $8,170,000 in promissory notes, $108,766,000 in equity purchase consideration, and contingent consideration of $26,445. The equity purchase consideration consisted of 33,222,900 common shares, of which 32,955,987 were issued on September 1, 2020 and the remaining 266,913 issued during the fourth quarter of 2020. The promissory notes were issued with a debt discount of $606,000, monthly interest payments at a rate of 9.0% per annum, principal payments of $3,750,000, $3,750,000 and $1,276,000 that are due on January 1, 2021, April 1, 2021 and July 1, 2021, respectively.

COLUMBIA CARE, INC. AND TGS GLOBAL, LLC
INTRODUCTION TO UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

The following unaudited pro forma condensed combined statements of operations present information about Columbia Care, Inc's (the "Company") historical consolidated statements of operations after giving effect to the acquisition of TGS Global, LLC (the "TGS Global Acquisition") as further described in Note 1. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2020, for TGS Global, LLC to give effect to the acquisition as if it had occurred on January 1, 2020. The unaudited pro forma condensed combined financial information is derived and should be read in conjunction with:

- The Company's historical audited consolidated statement of operations for the fiscal year ended December 31, 2020, included in this Form 10 filing; and
- TGS Global LLC's historical unaudited condensed combined statement of operations, for the fiscal year ended June 30, 2020, included in this Form 10 filing;

The pro forma condensed combined statements of operations do not necessarily reflect what the combined company's results of operations would have been had the acquisition occurred on the date indicated. They also may not be useful in predicting the future financial condition and results of operations of the combined company. The actual results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The TGS Global Acquisition was accounted for as a business combination using the acquisition method of accounting under the provisions of Accounting Standards Codification 805, Business Combinations ("ASC 805"), with the Company representing the accounting acquirer. The following unaudited pro forma condensed combined financial information primarily gives effect to:

- Application of the acquisition method of accounting in connection with the TGS Global Acquisition; and
- Transaction costs incurred in connection with the TGS Global Acquisition.

The assumptions underlying the pro forma adjustments are described in greater detail in the accompanying notes to the unaudited pro forma statements of operations.

COLUMBIA CARE, INC. AND TGS GLOBAL, LLC
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

	For the year ended December 31, 2020				
	Columbia Care Inc	TGS Global LLC	Pro forma Adjustments	Notes	Total
Revenues, net of discounts	$ 179,503	$ 62,473	$ —		$ 241,976
Cost of sales	(117,360)	(36,730)	—		(154,090)
Gross profit	62,143	25,743	—		87,886
Operating expenses:					—
Selling, general and administrative	142,355	19,954	4,687	(a)	166,996
Total operating expenses	(142,355)	(19,954)	(4,687)		(166,996)
(Loss) Income from operations	(80,212)	5,789	(4,687)		(79,110)
Other expense:					
Change in fair value of derivative liability	(11,745)	—	—		(11,745)
Interest expense, net	(6,336)	(3,879)	(486)	(b)	(10,701)
Other expense, net	(37,553)	(1,571)	—		(39,124)
Total other expense	(55,634)	(5,450)	(486)		(61,570)
(Loss) Income before provision for income taxes	(135,846)	339	(5,173)		(140,680)
Income tax benefit (expense)	16,197	(5,538)	1,319	(c)	11,978
Net loss and comprehensive loss	(119,649)	(5,199)	(3,854)		(128,702)
Net loss attributable to non-controlling interests	(23,862)	—	—		(23,862)
Net loss attributable to shareholders	$ (95,787)	$ (5,199)	$ (3,854)		$ (104,840)
Weighted-average number of shares used in earnings per share - basic and diluted	232,576,117		29,814,684	(d)	262,390,801
Earnings attributable to shares (basic and diluted)	$ (0.41)				$ (0.40)

COLUMBIA CARE INC. AND TGS GLOBAL LLC
NOTES TO UNAUDITED PRO FORMA
CONDENSED COMBINED STATEMENTS OF OPERATIONS

Note 1 — Description of the Transaction

On September 1, 2020, the Company acquired (the "TGS Transaction") a 100% ownership interest in TGS Global, LLC ("TGS Global"), TGS Colorado Management, LLC, and Beacon Holdings, LLC (collectively, "TGS").

TGS Global, LLC was formed in October 2010 for the purpose of selling medicinal and recreational cannabis products in the state of Colorado. TGS Global, LLC owns and operates vertically integrated cultivation facilities, manufacturing facilities and retail dispensaries in the state of Colorado. The Company executed the TGS Transaction in order to continue to grow revenues; expand its cultivation facilities, manufacturing facilities and dispensaries; and enter the Colorado market.

The aggregate purchase price for the TGS Transaction, being $143,581 consisted of $200 in cash consideration, $8,170 in promissory notes ("TGS Closing Promissory Notes"), $108,766 in equity purchase consideration ("Closing Shares"), and contingent consideration of $26,445. Equity purchase consideration comprised 33,222,900 Common Shares of which 32,955,987 were issued on September 1, 2020 and the remaining 266,913 Common Shares were issued during the fourth quarter of 2020. The TGS Closing Promissory Notes were issued with a debt discount of $606 and require monthly interest payments at a rate of 9.0% per annum. The TGS Closing Promissory Notes require principal payments of $3,750, $3,750 and $1,276 and are due on January 1, 2021, April 1, 2021 and July 1, 2021, respectively.

The following table summarizes the fair value of total consideration transferred and the fair value of each major class of consideration for TGS:

Consideration transferred	
Cash consideration	$ 200
Closing promissory notes	8,170
Closing Shares	108,766
Milestone Shares after closing (contingent consideration)	26,445
Total unadjusted purchase price	143,581
Less: Cash and cash equivalents acquired	(3,203)
Total purchase price, net of cash and cash equivalents acquired	$140,378

Recognized amounts of identifiable assts acquired and liabilities assumed, less cash assumed:

Purchase price allocation	
Assets acquired:	
Accounts receivable	$ 367
Inventory	10,700
Prepaid expenses and other current assets	796
Property and equipment	11,838
Right of use assets	81,206
Long-term deposits	2,174
Goodwill	114,467
Intangible assets	70,267
Accounts payable	(5,204)
Accrued expenses and other current liabilities	(15,408)
Note payable	(16,855)
Lease liabilities	(95,954)
Deferred tax liabilities	(18,016)
Consideration transferred	$140,378

The purchase price allocations for the TGS Transaction reflects various fair value estimates and analyses relating to the determination of fair values of certain tangible and intangible assets acquired and residual goodwill. The contingent consideration was estimated considering certain metrics for the year ended December 31, 2020, subject to the terms and conditions set forth in the Membership Interest Purchase Agreement entered into by the Company in connection with the TGS Transaction. The Sellers would receive common shares of the Company upon achievement of aforementioned targets no later than ten business days following the date on which the TGS's audited consolidated financial statements for the fiscal year ending December 31, 2020 are issued. The fair value of the contingent consideration was estimated by an independent valuation firm, based upon management's projections of revenue and EBITDA margin,

by applying a probability weighted expected return method analysis. This fair value measurement was based on significant inputs that are not observable in the market, and represent a level 3 fair value measurement, including those relating to discount factors and probabilities of achievement of the related milestones. A 15% discount was applied, to derive a discounted probability-adjusted earnout of $28,133. The Company then applied a discount for lack of marketability rate of 6% for a net fair value of contingent consideration of $26,445. An estimated range of outcomes has been deemed indeterminable by the Company.

The Company determined the estimated fair value of the acquired working capital, and identifiable intangible assets and goodwill after review and consideration of relevant information including discounted cash flow analyses, market data and management's estimates, prepared by an independent valuation firm. The estimated fair value of acquired working capital was determined to approximate carrying value.

For leases acquired, the Company measured the lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The Company measured the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The goodwill arising from the TGS Transaction consists of expected synergies from combining operations of the Company and TGS, and intangible assets not qualifying for separate recognition such as formulations, proprietary technologies and acquired know-how. None of the goodwill will be deductible for tax purposes.

The TGS' state licenses, trade name and wholesale customers represented identifiable intangible assets acquired in the amounts of $41,602, $28,632 and $33, respectively, which were determined to have definite useful lives of 10, 10 and 5 years, each respectively.

In conjunction with the TGS Transaction, the Company expensed $916 of acquisition-related costs, which have been included in selling, general and administrative expenses on the Company's consolidated statement of operations and comprehensive loss.

Since the closing date of the TGS Transaction, the Company's consolidated statement of operations and comprehensive loss for the year ended December 31, 2020 includes $38,166 of revenue and $11,937 of net income of TGS, respectively.

Note 2 — Basis of Pro Forma Presentation

The historical audited and unaudited statements of operations of the Company and TGS Global, LLC were prepared in accordance with U.S. generally accepted accounting principles. The unaudited pro-forma condensed combined statements of income reflect the estimated effects of the TGS Transaction as if they had been completed on January 1, 2020.

The TGS Global Acquisition was accounted for as a business combination using the acquisition method of accounting under the provisions of ASC 805, with the Company representing the accounting acquirer. The pro forma adjustments are based upon available information and certain assumptions, which management believes are reasonable under the circumstances. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of SEC Regulation S-X. The unaudited pro forma condensed combined financial information includes unaudited pro forma adjustments that are (i) directly attributable to the transaction, (ii) factually supportable and (iii) in respect of the unaudited pro forma condensed combined statements of income, expected to have a continuing impact on the consolidated results. The unaudited pro forma statements of operations do not give effect to any cost savings, operating synergies or revenue synergies that may result from the transaction or the costs to achieve any synergies.

Note 3 — Pro forma adjustments

The pro forma adjustments are based on assumptions that are subject to change. The following adjustments have been reflected in the unaudited pro forma condensed combined statements of operations:

(a) Represents the net increase in intangible asset amortization expense for the year ended December 31, 2020 based on the purchase price allocations and weighted average useful lives for acquired state licenses, trade names and wholesale customers of 10, 10 and 5 years, respectively, in accordance with the Company's accounting policy.

(b) Reflects the net increase in interest expense on the TGS Closing promissory notes of $8,776 based on the assumption that the acquisition occurred as of January 1, 2020 and the TGS Closing promissory notes were repaid within 10 months of acquisition, which is in line with the terms of the notes.

(c) Reflects the income tax effect of pro forma adjustments, as appropriate, using an estimated blended federal and state statutory tax rate of 25.5%.

(d) Represents the net increase in the weighted-average number of shares used in the calculation of earnings per share—basic and diluted as a result of the TGS Transaction.

Green Leaf Medical, LLC
Consolidated Financial Statements

As of and for the years ended
December 31, 2020 and 2019

Green Leaf Medical, LLC
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Report of Independent Registered Public Accounting Firm

To the Members of
Green Leaf Medical, LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Green Leaf Medical, LLC as of December 31, 2020 and 2019, and the related consolidated statements of income, members' equity and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of Green Leaf Medical, LLC as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two year period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

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

We have served as Green Leaf Medical Inc.'s auditor since 2019.

Macias Gini & O'Connell LLP

San Francisco, California
September 7, 2021

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

www.mgocpa.com

Green Leaf Medical, LLC
Consolidated Balance Sheets
As of December 31, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 22,558,616	$ 3,399,992
Accounts Receivable	5,401,689	699,550
Inventory	9,676,756	5,148,303
Prepaid Expenses and Other Current Assets	467,268	398,259
Total Current Assets	38,104,329	9,646,104
Property and Equipment, Net	52,748,939	38,630,550
Intangible Assets, Net	7,648,665	4,941,051
Goodwill	2,614,391	2,614,391
Operating Lease Right-of-Use Assets, Net	1,321,017	501,464
Security Deposits and Other Assets	1,474,798	406,250
Deferred Tax Assets	845,960	—
TOTAL ASSETS	**$ 104,758,099**	**$56,739,810**
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	$ 3,814,729	$ 6,048,992
Income Taxes Payable	12,662,582	—
Customer Deposits	31,388	2,660,072
Current Portion of Notes Payable	2,652,146	973,485
Current Portion of Operating Lease Liabilities	106,723	33,973
Current Portion of Finance Lease Liabilities	33,296	7,950
Total Current Liabilities	19,300,864	9,724,472
Construction Finance Liability	35,952,247	13,549,621
Notes Payable, Net of Current Portion	6,848,444	2,559,821
Operating Lease Liabilities, Net of Current Portion	1,257,280	479,401
Finance Lease Liabilities, Net of Current Portion	411,589	217,865
TOTAL LIABILITIES	**63,770,424**	**26,531,180**
Subscription Receivable	—	(200,000)
Members' Capital	34,224,543	33,824,990
Retained Earnings (Accumulated Deficit)	4,039,335	(6,305,907)
Total Members' Equity Attributable to Green Leaf Medical, LLC.	38,263,878	27,319,083
Non-Controlling Interest	2,723,797	2,889,547
TOTAL MEMBERS' EQUITY	**40,987,675**	**30,208,630**
TOTAL LIABILITIES AND MEMBERS' EQUITY	**$ 104,758,099**	**$56,739,810**

See accompanying notes to the consolidated financial statements.

Green Leaf Medical, LLC
Consolidated Statements of Income
For the Years Ended December 31, 2020 and 2019

	2020	2019
Revenues, Net	$77,625,284	$20,293,631
Cost of Goods Sold	31,164,746	9,914,211
Gross Profit	46,460,538	10,379,420
Operating Expenses:		
General and Administrative	11,568,697	4,891,972
Sales and Marketing	855,372	361,146
Depreciation and Amortization	785,876	505,077
Total Operating Expenses	13,209,945	5,758,195
Income from Operations	33,250,593	4,621,225
Other Expense:		
Interest Expense	7,987,043	1,439,277
Gain on Previously Held Equity Interests	—	(904,360)
Other Expense	30,371	214,741
Total Other Expense	8,017,414	749,658
Net Income Before Provision for Income Taxes	25,233,179	3,871,567
Provision for Income Taxes	11,816,622	—
Net Income	13,416,557	3,871,567
Net Income Attributable to Non-Controlling Interest	3,503,012	777,161
Net Income Attributable to Members' of the Company	**$ 9,913,545**	**$ 3,094,406**

See accompanying notes to the consolidated financial statements.

Green Leaf Medical, LLC
Consolidated Statements of Changes in Member's Equity
For the Years Ended December 31, 2020 and 2019

	Number of Units													
	Founder Units	*Class A Investor Units*	*Class B Investor Units*	*Class C Investor Units*	*Class D Investor Units*	*Class E Investor Units*	*Class F Investor Units*	*Class G Investor Units*	*Partic-ipation Units*	*Subscription Receivable*	*Members Capital*	Retained Earnings (Accumulated Deficit)	Total Members' Equity Attributable to Green Leaf Medical, LLC	Non-controlling Interest
BALANCE AS OF DECEMBER 31, 2018	***3,789,224***	***1,373,797***	***981,482***	***325,377***	***739,650***	**—**	**—**	**—**	***25,855***	**$ (500,000)**	**$ 22,896,111**	**$ 472,076**	**$ 22,868,187**	**$ —**
Sale of Member Units	—	—	—	—	—	67,769	—	70,159	(1,430)	—	2,924,799	—	2,924,799	—
Contributions	—	—	—	—	—	—	—	—	—	—	—	—	—	74,880
Distribution to Members	—	—	—	—	—	—	—	—	—	—	—	(803,189)	(803,189)	(1,210,614)
Acquisition of Green Leaf Medical of Ohio III, LLC	—	—	—	—	—	—	—	—	—	—	—	—	—	2,308,000
Acquisition of Green Leaf Medical of Virginia, LLC Units	—	—	—	—	—	—	383,352	—	—	—	8,129,079	(8,054,199)	74,880	(74,880)
Acquisition of Wellness Institute of Maryland, LLC	—	—	—	—	—	—	—	—	—	—	—	(1,015,000)	(1,015,000)	1,015,000
Subscription Receivable Paid	—	—	—	—	—	—	—	—	—	500,000	—	—	500,000	—
Subscription Receivable	—	—	—	—	—	—	—	—	—	(200,000)	—	—	(200,000)	—
Redemption of Units	—	(10,000)	—	—	—	—	—	—	—	—	(150,000)	—	(150,000)	—
Share Based Compensation	—	—	—	—	—	—	—	—	—	—	25,000	—	25,000	—
Net Income	—	—	—	—	—	—	—	—	—	—	—	3,094,406	3,094,406	777,161
BALANCE AS OF DECEMBER 31, 2019	***3,789,224***	***1,363,797***	***981,482***	***325,377***	***739,650***	***67,769***	***383,352***	***70,159***	***24,425***	**$ (200,000)**	**$33,824,990**	**$ (6,305,907)**	**$ 27,319,083**	**$ 2,889,547**
Sale of Member Units	—	—	—	—	—	—	—	10,753	—	—	237,513	—	237,513	—
Distribution to Members	—	—	—	—	—	—	—	—	—	—	—	(1,291,424)	(1,291,424)	(3,668,763)
Issuance of Warrants	—	—	—	—	—	—	—	—	—	—	—	1,723,121	1,723,121	
Subscription Receivable Paid	—	—	—	—	—	—	—	—	—	200,000	—	—	200,000	—
Share Based Compensation	—	—	—	—	—	—	—	—	4,746	—	162,041	—	162,041	—
Net Income	—	—	—	—	—	—	—	—	—	—	—	9,913,545	9,913,545	3,503,012
BALANCE AS OF DECEMBER 31, 2020	***3,789,224***	***1,363,797***	***981,482***	***325,377***	***739,650***	***67,769***	***383,352***	***80,912***	***29,171***	**$ —**	**$34,224,543**	**$ 4,039,335**	**$ 38,263,878**	**$ 2,723,797**

See accompanying notes to the consolidated financial statements.

Green Leaf Medical, LLC
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 13,416,557	$ 3,871,567
Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities:		
Depreciation and Amortization	2,315,262	1,132,215
Amortization of Debt Discount	809,743	287,349
Share-Based Compensation	162,041	25,000
Paid-in-kind Interest on Construction Finance Liability	1,975,991	1,244,873
Amortization of ROU Assets	898,495	80,317
Deferred Tax Assets	(845,960)	—
Gain on previously held equity interest on acquisition of Ohio III, LLC	—	(904,360)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(4,702,139)	337,926
Inventory	(4,528,453)	(2,895,291)
Prepaid Expenses and Other Current Assets	(69,009)	(122,292)
Security Deposit and Other Assets	(957,819)	(406,250)
Accounts Payable and Accrued Liabilities	1,937,747	(2,142,522)
Income Taxes Payable	12,662,582	—
Customer Deposits	(2,628,684)	2,660,072
Operating Lease Liabilities	(867,419)	(68,407)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**19,578,935**	**3,100,197**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	(19,806,406)	(16,437,021)
Capitalized Interest from Construction	(17,708)	(245,588)
Asset Acquisition	(450,000)	—
Investment in Ohio III, LLC	—	(272,640)
Acquisition of Ohio III, LLC, net of cash and cash equivalents acquired	—	(1,048,361)
Acquisition of Wellness Institute of Maryland, LLC, Net of Cash and Cash Equivalents Acquired	—	(1,015,000)
Acquisition of SKD Realty, LLC , Net of Cash and Cash Equivalents Acquired	—	(482,867)
NET CASH USED IN INVESTING ACTIVITIES	**(20,274,114)**	**(19,501,477)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of Equity for Cash	237,513	2,924,799
Change in Subscription Receivable	200,000	300,000
Redemption of Units	—	(150,000)
Distributions to Members	(4,960,187)	(2,013,803)
Contributions to Members	—	74,880
Principal Repayments of Finance Lease Liability	(14,043)	(2,958)
Proceeds from Construction Finance Liability	20,418,065	13,000,000
Payment of Construction Finance Liability, Net of Fees	—	(695,252)
Proceeds from Notes Payable, Net of $557,000 Issuance Costs	5,442,114	—
Principal Repayments of Notes Payable	(1,469,659)	(695,666)
NET CASH PROVIDED BY FINANCING ACTIVITIES	**19,853,803**	**12,742,000**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**19,158,624**	**(3,659,280)**
Cash and Cash Equivalents, Beginning of Year	3,399,992	7,059,272
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 22,558,616**	**$ 3,399,992**

See accompanying notes to the consolidated financial statements.

Green Leaf Medical, LLC
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
SUPPLEMENTAL DISCLOSURE FOR CASH FLOW INFORMATION:		
Cash Paid for Interest	$ 5,201,309	306,502
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Issuance of Units in Exchange for equity in Green Leaf Medical of Virginia, LLC	$ —	$ 8,129,079
Obtaining a Right-of-Use Asset in Exchange for a Finance Lease Liability	$ 233,113	$ 228,773
Obtaining a Right-of-Use Asset in Exchange for an Operating Lease Liability	$ 761,663	$ 556,682
Property and Equipment Acquired in Exchange for Accounts Payable	$ 221,377	$ 4,393,387
Loan Issued for the Purchase of Dispensary License	$ 2,916,777	$ —
Equipment Acquired Through Issuance of Notes Payable	$ —	$ 88,999
Issuance of Warrants	$ 1,723,121	$ —

See accompanying notes to the consolidated financial statements.

Green Leaf Medical, LLC
Notes to the Consolidated Financial Statements

1. NATURE OF OPERATIONS

Green Leaf Medical, LLC ("Green Leaf" or the "Company") is a medical cannabis company formed in April 2014. The Company is a multi-state operator of medical cannabis facilities with cultivation, extraction, and retail licenses in Maryland, Pennsylvania, Virginia, and Ohio.

The Company was incorporated in the State of Maryland. The principal address of the Company is 267 Kentlands Boulevard, Suite 1070, Gaithersburg, Maryland 20878.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and reflect the accounts and operations of the Company and those of the Company's subsidiaries in which the Company has a controlling financial interest.

All intercompany transactions and balances have been eliminated in consolidation. In the opinion of management, all adjustments considered necessary for a fair presentation of the consolidated financial position of the Company as of December 31, 2020 and 2019, the consolidated results of income and cash flows for the years then ended have been included. In accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, "Consolidation ("ASC 810")", the Company consolidates any variable interest entity ("VIE"), of which the Company is the primary beneficiary.

Basis of Measurement

These consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments, which are measured at fair value.

COVID-19

In March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus, COVID-19. The pandemic is having an unprecedented impact on the U.S. economy as federal, state and local governments react to this public health crisis, which has created significant uncertainties. During the current reporting period, aspects of the Company's business were affected by the COVID-

19 pandemic, with the Company's offices, medical cannabis facilities and retail locations operating within local rules and regulations. While the ultimate severity of the outbreak and its impact on the economic environment is uncertain, the Company is monitoring this closely. In the event that the Company were to experience widespread transmission of the virus at one or more of the Company's medical cannabis facilities or retail locations, the Company could suffer reputational harm or other potential liability. Further, the Company's business operations may be materially and adversely affected if a significant number of the Company's employees are impacted by the virus.

Functional Currency

The Company and its subsidiaries' functional currency, as determined by management, is the United States ("U.S.") dollar. These consolidated financial statements are presented in U.S. dollars.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Consolidation

These consolidated financial statements as of and for the years ended December 31, 2020 and 2019 include the accounts of the Company, its wholly-owned subsidiaries and entities over which the Company has control as defined in ASC 810. Subsidiaries over which the Company has control are fully consolidated from the date control commences until the date control ceases. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are currently exercisable are taken into account.

The following are the Company's consolidated entities that are included in these Consolidated Financial Statements as of and for the years ended December 31, 2020 and 2019:

	Ownership	
Entity	2020	2019
Green Leaf Medical, LLC	Parent	Parent
Green Leaf Extracts, LLC	100%	100%
Green Leaf Medical of Virginia, LLC	100%	100%
Green Leaf Management, LLC	100%	100%
Green Leaf Medicals, LLC	100%	100%
Green Leaf Medical of Ohio III, LLC	99.99%	99.99%
Green Leaf Medical of Ohio II, LLC	51% via Ohio III	51% via Ohio III
SKD Reality, LLC	100%	100%
Wellness Institute of Maryland, LLC	N/A, VIE	N/A, VIE
Green Leaf Medical of West Virginia, LLC	80%	80%
Sugarloaf Enterprises, LLC	100%	N/A
Time for Healing, LLC	100%	N/A
Head Honchos, LLC	100%	N/A

Consolidation of Variable Interest Entities ("VIE")

ASC 810 requires a variable interest holder to consolidate a VIE if that party has the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. To determine whether or not a variable interest the Company holds could potentially be significant to the VIE, the Company considers both qualitative and quantitative factors regarding the nature, size and form of the Company's involvement with the VIE. The equity method of accounting is applied to entities in which the Company is not the primary beneficiary or the entity is not a VIE and the Company does not have effective control, but can exercise influence over the entity with respect to its operations and major decisions. The typical condition for a controlling financial interest ownership is holding a majority of the voting interests of an entity; however, a controlling financial interest may also exist in entities, such as VIEs, through arrangements that do not involve controlling voting interests. The Company does not consolidate a VIE in which it does not have a majority ownership interest and is not considered the primary beneficiary. The Company has determined that it is the primary beneficiary of a VIE. The Company evaluates its relationships with all the VIE's on an ongoing basis to reassess if it continues to be the primary beneficiary.

Wellness Institute of Maryland, LLC ("WIM") is a VIE of the Company because the Company has power to direct the activities of WIM that most significantly impact WIM's economic performance, as well as the Company has the obligation to absorb losses of WIM that could potentially be significant to WIM or the right to receive benefits from WIM that could potentially be significant to WIM.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of and for the years ended December 31, 2020 and 2019, the balances of WIM consisted of the following:

	2020	2019
Current Assets	$ 1,351,388	$1,011,330
Non-Current Assets	1,046,920	1,006,180
Total Assets	**$ 2,398,308**	**$2,017,510**
Current Liabilities	$ 1,035,280	$ 349,114
Non-Current Liabilities	992,912	1,228,637
Total Liabilities	**2,028,192**	**1,577,751**
Non-Controlling Interest	**$ 370,116**	**$ 439,759**
Total	**$ 2,398,308**	**$2,017,510**
Revenues	**$14,074,847**	**$5,534,190**
Net Income Attributable to Non-Controlling Interest	**$ 2,706,119**	**$ 634,540**

The net change in WIM was as follows for the year ended December 31, 2020:

Balance as of December 31, 2019	$ 439,759
Net Income	2,706,119
Cash Distributions to Members'	(2,775,762)
Balance as of December 31, 2020	**$ 370,116**

Non-Controlling Interest

Non-controlling interest represents equity interests of consolidated subsidiaries not owned by Green Leaf Medical LLC. NCI may be initially measured at fair value or at the NCI's proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. The Company elected to measure each non-controlling interest at its proportionate share of the recognized amounts of the acquiree's identifiable net assets. The share of net assets attributable to non-controlling interests is presented as a component of equity. Their share of net income or loss is recognized directly in equity. Changes in the parent company's ownership interest that do not result in a loss of control are accounted for as equity transactions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of total net revenue and expenses in the reporting periods. The Company regularly evaluates significant estimates and assumptions related to the consolidation or non-consolidation of variable interest entities, estimated useful lives, depreciation of property and equipment, amortization of intangible assets, revenue recognition, allowances for doubtful accounts, sales returns, inventory valuation, stock-based compensation expense, business combinations, goodwill and purchased intangible asset valuations, reporting units, fair value of financial instruments, deferred income tax asset valuation allowances, incremental borrowing rates, lease terms applicable to lease contracts, litigation , going concern and other loss contingencies. These estimates and assumptions are based on current facts, historical experience and various other factors that the Company believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenue, costs and expenses that are not readily apparent from other sources. The actual results the Company experiences may differ materially and adversely from these estimates. To the extent there are material differences between the estimates and actual results, the Company's future results of operations.

Cash and Cash Equivalents

Cash and cash equivalents include cash deposits in financial institutions, cash held at retail locations, and other deposits that are readily convertible into cash.

Accounts Receivable

The Company reviews all outstanding accounts receivable for collectability on a quarterly basis. An allowance for doubtful accounts is recorded for any amounts deemed uncollectible. The Company does not accrue interest receivable on past due accounts receivable. As of December 31, 2020 and 2019, the Company did not have any recorded amounts for allowances for uncollectible receivables.

The Company provides credit in the normal course of business to customers located throughout the U.S. The Company performs ongoing credit evaluations of its customers and maintains allowances for doubtful accounts based on factors surrounding the credit risk of specific customers, historical trends, and other information.

Inventory

Inventory is comprised of raw materials, finished goods and work-in-process such as pre-harvested cannabis plants and by-products to be extracted. The costs of growing cannabis, including but not limited to labor, utilities, nutrition and supplies, are capitalized into inventory. All direct and indirect costs related to inventory are capitalized when incurred, and subsequently recorded as cost of goods sold in the Consolidated Statement of Income upon sale. Raw materials and work-in-process is stated at the lower of cost or net realizable value, determined using the weighted average cost. Finished goods inventory is stated at the lower of cost or net realizable value, with cost being determined on the first-in, first-out ("FIFO") method of accounting. Net realizable value is determined as the estimated selling price in the ordinary course of business less estimated costs to sell. The Company periodically reviews physical inventory for excess, obsolete, and potentially impaired items and reserves. The Company reviews inventory for obsolete, redundant and slow-moving goods and any such inventory is written down to net realizable value. Packaging and supplies are initially valued at cost. The reserve estimate for excess and obsolete inventory is based on expected future use. The reserve estimates have historically been consistent with actual experience as evidenced by actual sale or disposal of the goods. As of December 31, 2020 and 2019, the Company determined that no reserve was necessary. Shipping and handling costs are recorded as a component of costs of goods sold.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation and impairment losses, if any. Depreciation is calculated on a straight-line basis over the lesser of the estimated useful life of the asset or the expected lease term using the following terms:

Land	Not Depreciated
Building	15 - 40 Years
Furniture and Fixtures	10 Years
Finance Lease Assets	Shorter of Lease Term or Economic Life
Right-of-Use Assets	10 - 20 Years
Leasehold Improvements	Shorter of Lease Term or Economic Life
Machinery and Equipment	10 Years
Vehicles	5 Years
Assets Under Construction	Not Depreciated

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively if appropriate. An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statement of income in the year the asset is derecognized.

The Company capitalizes interest on debt financing invested in projects under construction. Upon the asset becoming available for use, capitalized interest costs, as a portion of the total cost of the asset, are depreciated over the estimated useful life of the related asset.

Intangible Assets

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

The estimated useful lives, residual values and amortization methods are reviewed at each year-end, and any changes in estimates are accounted for prospectively. As of December 31, 2020 and 2019, the Company did not recognize any impairment losses. Intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Cannabis processing licenses, cannabis dispensary licenses and trademarks are recorded at their acquisition date fair value and are amortized on a straight-line basis over a period of 15 years, 15 years and 5 years, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill is measured as the excess of consideration transferred and the net of the acquisition date fair value of assets acquired, and liabilities assumed in a business acquisition. In accordance with ASC 350, "Intangibles—Goodwill and Other", goodwill and other intangible assets with indefinite lives are no longer subject to amortization. The Company reviews the goodwill and other intangible assets allocated to each of the Company's reporting units for impairment on an annual basis as of year-end or whenever events or changes in circumstances indicate carrying amount it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The carrying amount of each reporting unit is determined based upon the assignment of the Company's assets and liabilities, including existing goodwill, to the identified reporting units. Where an acquisition benefits only one reporting unit, the Company allocates, as of the acquisition date, all goodwill for that acquisition to the reporting unit that will benefit. The Company determines goodwill impairment in accordance with Accounting Standards Update ("ASU") 2017-04 (Topic 35), "Intangibles—Goodwill and Other: Simplifying the Test for Goodwill Impairment", which measures the impairment of goodwill by comparing a reporting unit's carrying amount to the estimated fair value of the reporting unit. If the carrying amount of a reporting unit is in excess of its fair value, the Company recognizes an impairment charge equal to the amount in excess. No impairment loss was recognized for the years ended December 31, 2020 and 2019.

Impairment of Long-Lived Assets

For purposes of the impairment test, long-lived assets such as property and equipment and definite-lived intangible assets are grouped with other assets and liabilities at the lowest level for which identifiable independent cash flows are available ("asset group"). The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In order to determine if assets have been impaired, the impairment test is a two-step approach wherein the recoverability test is performed first to determine whether the long-lived asset is recoverable. The recoverability test (Step 1) compares the carrying amount of the asset to the sum of its future undiscounted cash flows using entity-specific assumptions generated through the asset's use and eventual disposition. If the carrying amount of the asset is less than the cash flows, the asset is recoverable and an impairment is not recorded. If the carrying amount of the asset is greater than the cash flows, the asset is not recoverable and an impairment loss calculation (Step 2) is required. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying value of the asset group. Fair value can be determined using a market approach, income approach or cost approach. The cash flow projection and fair value represents management's best estimate, using appropriate and customary assumptions, projections and methodologies, at the date of evaluation. The reversal of impairment losses is prohibited. No impairment loss was recognized for the years ended December 31, 2020 and 2019.

Leased Assets

Leases are recognized in accordance with ASU 2016-02, "Leases (Topic 842)" ("ASC 842"), in which the Company elected the package of practical expedients provided by ASC 842, which forgoes reassessment of the following upon adoption of the new standard: (1) whether contracts contain leases for any expired or existing contracts, (2) the lease classification for any expired or existing leases, and (3) initial direct costs for any existing or expired leases. In addition, the Company elected an accounting policy to exclude from the consolidated balance sheets the right-of-use assets and lease liabilities related to short-term leases, which are those leases with a lease term of twelve months or less that do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company applies judgment in determining whether a contract contains a lease and if a lease is classified as an operating lease or a finance lease. The Company applies judgement in determining the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. All relevant factors that create an economic incentive for it to exercise either the renewal or termination are considered. The Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. In adoption of ASC 842, the Company applied the practical expedient which applies hindsight in determining the lease term and assessing impairment of right-of-use assets by using its actual knowledge or current expectation as of the effective date. The Company also applies judgment in allocating the consideration in a contract between lease and non-lease components. It considers whether the Company can benefit from the right-of-use asset either on its own or together with other resources and whether the asset is highly dependent on or highly interrelated with another right of-use asset. Lessees are required to record a right-of-use asset and a lease liability for all leases with a term greater than twelve months. Lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected remaining lease term. The incremental borrowing rate is determined using estimates which are based on the information available at commencement date and determines the present value of lease payments if the implicit rate is unavailable.

Sale and leaseback transactions are assessed to determine whether a sale has occurred under ASC 606. If a sale is determined not to have occurred, the underlying “sold” assets are not derecognized and a financing liability is established in the amount of cash received. At such time that the lease expires, the assets are then derecognized along with the financing liability, with a gain recognized on disposal for the difference between the two amounts, if any. On the date of adoption, the Company recognized right-of-use assets and lease liabilities on its consolidated balance sheets, which reflect the present value of the Company’s current minimum lease payments over the lease terms, which include options that are reasonably certain to be exercised, discounted using the Company’s incremental borrowing rate. Refer to “Note 9—Leases” for further discussion.

Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value at the date of acquisition. Acquisition related transaction costs are expensed as incurred and included in the Consolidated Statements of Income. Identifiable assets and liabilities, including intangible assets, of acquired businesses are recorded at their fair value at the date of acquisition. When the Company acquires control of a business, any previously held equity interest also is remeasured to fair value. The excess of the purchase consideration and any previously held equity interest over the fair value of identifiable net assets acquired is goodwill. If the fair value of identifiable net assets acquired exceeds the purchase consideration and any previously held equity interest, the difference is recognized in the Consolidated Statements of Income immediately as a gain on acquisition.

The Company allocates the total cost of the acquisition to the underlying net assets based on their respective estimated fair values. As part of this allocation process, the Company identifies and attributes values and estimated lives to the intangible assets acquired. These determinations involve significant estimates and assumptions regarding multiple, highly subjective variables, including those with respect to future cash flows, discount rates, asset lives, and the use of different valuation models, and therefore require considerable judgment. The Company’s estimates and assumptions are based, in part, on the availability of listed market prices or other transparent market data. These determinations affect the amount of amortization expense recognized in future periods. The Company bases its fair value estimates on assumptions it believes to be reasonable but are inherently uncertain.

Asset Acquisitions

Acquisitions of assets and liabilities that do not meet the definition of a business as described in ASC 805, *Business Combinations*, are recorded as asset acquisitions. All costs, including acquisition costs, are included in the consideration of an asset acquisition. Consideration is allocated to the fair value of net assets acquired such that goodwill is not recognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue is recognized by the Company in accordance with ASU 2014-09, "*Revenue from Contracts with Customers (Topic 606)*" ("ASU 2014-09"), using the modified retrospective approach, which provides a method for recording revenue at adoption using the effective date as its date of initial application. Through application of the standard, the Company recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In order to recognize revenue under ASU 2014-09, the Company applies the following five (5) steps:

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

Revenues consist of wholesale and retail sales of cannabis, which are generally recognized at a point in time when control over the goods have been transferred to the customer and is recorded net of sales discounts. Payment is typically due upon transferring the goods to the customer or within a specified time period permitted under the Company's credit policy.

Revenue is recognized upon the satisfaction of the performance obligation. The Company satisfies its performance obligation and transfers control upon delivery and acceptance by the customer. Based on the Company's assessment, the adoption of this new standard had no impact on the amounts recognized in its consolidated financial statements.

Cultivation and Wholesale

The Company recognizes revenue from the sale of cannabis for a fixed price upon the shipment of cannabis goods as the Company has transferred to the buyer the significant risks and rewards of ownership of the goods and the Company does not retain either continuing material involvement to the degree usually associated with ownership nor effective control over the goods sold and the amount of revenue can be measured reliably and collectible and the costs incurred in respect of the transaction is reliably measured. Excise taxes due upon sale are recorded as a component of cost of goods sold in the accompanying Consolidated Statements of Income.

Dispensary Revenue

The Company recognizes revenue from the sale of cannabis for a fixed price upon delivery of goods to customers at the point of sale since at this time performance obligations are satisfied. Fees collected related to taxes that are required to be remitted to regulatory authorities are recorded as liabilities and are not included as a component of revenues.

Customer Deposits

The Company records as customer deposit liabilities any amounts that are collected from customers prior to the satisfaction of the performance obligations. As of December 31, 2020 and 2019, deposits related to customer payments, which is included in the customer deposits liabilities on the Consolidated Balance Sheets, amounted to $31,338 and $2,660,072, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Customer Loyalty Program

The Company began a customer loyalty rewards program in 2020 that allows members to earn discounts on future purchases. Unused discounts earned by loyalty rewards program members are included in accrued liabilities and recorded as a sales discount at the time a qualifying purchase is made. The value of points accrued as of December 31, 2020 was approximately $132,390. Currently, unused points do not expire in most cases.

Revenues are disaggregated for the years ended December 31, 2020 and 2019 as follows:

	2020	2019
Cultivation and Wholesale	$ 62,380,956	$14,714,965
Dispensary	26,265,272	7,516,471
Other	142,816	30,419
Intercompany sales	(11,163,760)	(1,968,224)
	$ 77,625,284	$20,293,631

Share-Based Compensation

The Company applies the provisions of ASC Subtopic 718-10, “Compensation-Stock Compensation” (“ASC 718”), for accounting for equity instruments exchanged for employee services. Under the provisions of this standard, share-based compensation expense is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense on a straight-line basis over the employee’s requisite service period (generally the vesting period of the equity grant). Changes in these inputs and assumptions can materially affect the measurement of the estimated fair value of award and related share-based compensation expense.

Warrants

The Company classified its warrants as either liability or equity instruments in accordance with ASC 480, “Distinguishing Liabilities from Equity” (ASC 480) and ASC 815, “Derivatives and Hedging” (ASC 815), depending on the specific terms of the warrant agreement. The fair value of all warrants issued are determined by using the probability weighted expected return method valuation technique and were assigned based on the relative fair value of financial instruments issued, debt and the warrants.

Income Taxes

Effective January 1, 2020, the Company elected to change its income tax status from a partnership entity to a C-Corporation. This would result in the Company incurring income taxes rather than as a pass-through entity to its members. Tax expense recognized in profit or loss comprises the sum of current and deferred taxes not recognized directly in equity. The Company recognizes interest, fines and penalties as a component of income tax expense.

Current Tax

Current tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Tax

Income taxes are accounted for under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax basis of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

Deferred tax assets are recognized to the extent that the Company believe that these assets are more likely than not to be realized. In making such a determination, all available positive and negative evidence are considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If it is determined that the Company would be able to realize deferred tax assets in the future in excess of their net recorded amount, an adjustment to the deferred tax asset valuation allowance is recorded, which would reduce the provision for income taxes.

Uncertain tax positions are recorded in accordance with ASC 740, “Income Taxes” (“ASC 740”), on the basis of a two-step process in which (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

Financial Instruments

Fair Value

The Company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management’s estimate of assumptions that market participants would use in pricing the asset or liability.

In accordance with the fair value accounting requirements, companies may choose to measure eligible financial instruments and certain other items at fair value. The Company has not elected the fair value option for any eligible financial instruments. There have been no transfers between fair value levels during the years ended December 31, 2020 and 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments are measured at amortized cost or at fair value. Financial instruments measured at amortized cost consist of accounts payable and accrued liabilities, and customer deposits wherein the carrying value approximates fair value due to its short-term nature. Other financial instruments measured at amortized cost include notes payable and other long-term liabilities wherein the carrying value at the effective interest rate approximates fair value as the interest rate for notes payable approximate a market rate for similar instruments offered to the Company.

Concentration of Business and Credit Risk

The Company maintains cash with various U.S. banks and credit unions with balances in excess of the Federal Deposit Insurance Corporation and National Credit Union Share Insurance Fund limits, respectively. The failure of a bank or credit union where the Company has significant deposits could result in a loss of a portion of such cash balances in excess of the insured limit, which could materially and adversely affect the Company's business, financial condition and results of operations. As of December 31, 2020, the aggregate bank balances in excess of the insured limit was $16,004,406. Additionally, cash on hand or held in the Company's vaults is not subject to Federal or state and local government insurance protections.

The Company provides credit in the normal course of business to customers located throughout the Northeastern U.S. As of and for the year ended December 31, 2020, one customer comprised 14% and 6% of accounts receivable and revenues, respectively. There were no customers that comprised more than 10% of the Company's revenue or accounts receivable as of and for the year ended December 31, 2019.

Recently Adopted Accounting Standards

In August 2018, the FASB issued ASU 2018-13, "*Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*" ("ASU 2018-13"), which removes, modifies and adds certain disclosure requirements in Topic 820 "Fair Value Measurement". Per ASU 2018-13 certain disclosures are eliminated which relate to transfers and the valuations process, modifies disclosures for investments that are valued based on net asset value, clarifies the measurement uncertainty disclosure, and requires additional disclosures for Level 3 fair value measurements. ASU 2018-13 must be applied prospectively and is effective in fiscal years beginning after December 15, 2019. The Company adopted the new standard on January 1, 2020. The adoption of the standard did not have a material impact on the Company's Consolidated Financial Statements.

In August 2020, the FASB issued ASU No. 2020-06, *"Accounting for Convertible Instruments and Contracts in an Entity's Own Equity"* ("ASU 2020-06"), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 removes from U.S. GAAP the liability and equity separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, Derivatives and Hedging, or (2) a convertible debt instrument was issued at a substantial premium. Among other potential impacts, this change is expected to reduce reported interest expense, increase reported net income, and result in a reclassification of certain conversion feature balance sheet amounts from stockholders' equity to liabilities as it relates to the Company's convertible senior notes. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share (EPS), which is consistent with the Company's accounting treatment under the current standard. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted for fiscal years beginning after December 15, 2020, and can be adopted on either a fully retrospective or modified retrospective basis. The Company early adopted the new standard on January 1, 2020. The adoption of the standard did not have a material impact on the Company's Consolidated Financial Statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Standards

In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-13, "*Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments*" ("ASU 2016-13"), which replaces the incurred loss model with a current expected credit loss ("CECL") model and requires consideration of a broader range of reasonable and supportable information to explain credit loss estimates. Under the new standard, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable. The Company is not required to track the changes in credit risk. The guidance must be adopted using a modified retrospective transition method through a cumulative-effect adjustment to retained earnings in the period of adoption. The Company is currently evaluating the adoption date and impact, if any, adoption will have on its consolidated financial position and consolidated results of operations

FASB ASU No. 2019-12, "Simplifying the Accounting for Income Taxes"– Issued in December 2019, ASU 2019-12 eliminates certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. The Company is currently evaluating the adoption date and impact, if any, adoption will have on its consolidated financial position and consolidated results of operations.

FASB ASU 2020-01, "Investments—Equity Securities (Topic 321)", "Investments—Equity Method and Joint Ventures (Topic 323)", and "Derivatives and Hedging (Topic 815)" – Issued in January 2020, ASU 2020-01 is intended to clarify the interaction of the accounting for equity securities under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contracts and purchased options accounted for under Topic 815. ASU 2020-01 is effective for the Company beginning January 1, 2021. The Company is currently evaluating the adoption date and impact, if any, adoption will have on its consolidated financial position and consolidated results of operations.

3. ACQUISITIONS

Business Combinations

The Company did not have any business combinations completed during the year ended December 31, 2020. A summary of business combinations completed during the year ended December 31, 2019 is as follows:

	Green Leaf Medical of Ohio III, LLC	Wellness Institute of Maryland, LLC	SKD Reality, LLC	Total
Cash	$ 176,639	$ —	$ 74,133	$ 250,772
Accounts Receivable	—	1,460	—	1,460
Inventory	161,415	348,163	25,897	535,475
Prepaid Expenses	78,599	20,000	33,860	132,459
Right-of-Use Assets	—	—	510,093	510,093
Property and Equipment	870,756	90,912	133,787	1,095,455
Dispensary License	1,500,000	800,000	—	2,300,000
Trademarks	70,000	35,000	—	105,000
Accounts Payable and Accrued Liabilities	(31,325)	(420,375)	(72,539)	(524,239)
Finance Lease Liability	(228,773)	—	—	(228,773)
Lease Liabilities	—	—	(510,093)	(510,093)
Total Identifiable Net Assets	2,597,311	875,160	195,138	3,667,609
Goodwill (1)	2,112,689	139,840	361,862	2,614,391
Total Consideration	**$ 4,710,000**	**$ 1,015,000**	**$ 557,000**	**$6,282,000**
Cash	$ 1,225,000	$ 1,015,000	$ 557,000	$2,797,000
Previously held equity interests	1,177,000	—	—	1,177,000
Noncontrolling interests	2,308,000	—	—	2,308,000
Total Consideration	**$ 4,710,000**	**$ 1,015,000**	**$ 557,000**	**$6,282,000**
Pro Forma Revenues (2)	$ 2,513,164	$ 5,737,309	$ 32,321	$8,282,794
Pro Forma Net Income (Loss) (2)	$ 505,449	$ 673,799	$ (49,398)	$1,129,850

(1) Goodwill arising from acquisitions represent expected synergies, future income and growth, and other intangibles that do not qualify for separate recognition.

(2) If the acquisition had been completed on January 1, 2019 for the acquisitions, the Company estimates it would have recorded increases in revenues and net income (loss) shown in the pro forma amounts noted above.

Ohio II and Ohio III—On July 2, 2019, the Company entered into a Membership Interest Purchase Agreement ("MIPA") with a third-party where the Company purchased 50.99% of the outstanding membership interest of Green Leaf Medical of Ohio III, LLC ("GLMOIII") for a purchase price of $1,225,000 in cash. The Company initially acquired a 49% interest in GLMOIII for $272,640 and recognized a gain on previously held equity interests in GLMOIII of $904,360 in the consolidated statements of income. The gain was calculated as the difference between the fair value of the previously held equity interests of approximately $1.2 million and the carrying value. The fair value of the previously held equity interests was based on the consideration paid for the additional interest relative to previously held interest. As a result of the membership interest purchase, the Company owns 99.99% of the membership interest in Ohio III. GMOIII holds 51% of the membership interest in its controlled subsidiary, Green Leaf Medical of Ohio II, LLC, a medical cannabis dispensary.

3. ACQUISITIONS (Continued)

Wellness Institute of Maryland, LLC - Wellness Institute of Maryland, LLC ("WIM") is a medical cannabis dispensary incorporated in the state of Maryland on February 3, 2015. On January 31, 2019, The Company and a third-party (the "Seller") entered into a MIPA where the Company would purchase all of the outstanding interests in WIM from the Seller effective on January 31, 2022, subject to certain conditions, at a purchase consideration of $1,015,000. The $1,000,000 consideration is held in escrow, but in the event the purchase option is not exercised by the Company, the escrow payment will be received by the Seller. Contemporaneously, the Company and WIM entered into a management service agreement (the "MSA"). The MSA provides the Company with management and funding responsibility over WIM in exchange for a monthly management fee of $25,000 for the first 36 months and $70,000 thereafter. The Company is also entitled to incentive payments of 12% of gross sales in excess of $875,000. Additionally, the members of WIM are entitled to distributions of $46,000 monthly and tax related distributions, and are included in distributions to non-controlling interests. As a result of the MSA, WIM became a VIE and the Company became the primary beneficiary of WIM, and was consolidated in the Company's financial statements. During April 2021, the Company exercised its purchase option for all of the outstanding interests in WIM (see "*Note 14 – Subsequent Events*").

SKD Reality, LLC - On January 31, 2019, the Company acquired 100% of the equity interests of SKD Reality, LLC ("SKD") for $557,000. SKD manages a commercial real estate facility located in Fredrick, Maryland, provides marketing consulting services and is a cannabis accessory retailer. WIM is an affiliated company to SKD, which sublets certain real property facilities from SKD which is used to operate WIM's cannabis dispensary business in Frederick, Maryland. Upon acquisition of SKD, the Company assumed SKD's lease with a third-party which was determined to be at fair value.

Asset Acquisitions

In addition to the business combinations described above, the Company had acquisitions during 2020 that did not meet the definition of a business in accordance with ASC 805, *Business Combinations*, and were therefore accounted for as asset acquisitions. Operating results of the acquired entities are included in the accompanying consolidated statements of income, changes in members' equity, and cash flows for periods subsequent to the acquisition date.

The following table summarizes the allocation of consideration exchanged for the estimated fair value of tangible and intangible assets acquired and liabilities assumed:

	Sugarloaf Enterprises LLC	Time for Healing, LLC	Total
Right-of-Use Assets	$ 715,074	$ —	$ 715,074
Dispensary License	3,256,048	—	3,256,048
Security Deposit and Other Assets	10,729	100,000	110,729
Lease Liability	(715,074)	—	(715,074)
Total Net Assets Acquired	**$3,266,777**	**$ 100,000**	**$3,366,777**
Cash	$ 350,000	$ 100,000	$ 450,000
Notes payable, net of discount	2,916,777	—	2,916,777
Total Consideration	**$3,266,777**	**$ 100,000**	**$3,366,777**

Sugarloaf Enterprises LLC - On January 30, 2020, the Company entered into a membership interest purchase agreement with the members of Sugarloaf Enterprises LLC to acquire 100% of its ownership interests. The acquisition closed on March 25, 2020. The Purchase Agreement provided for a total consideration of $350,000 in cash and $3,150,000 in a promissory note payment, less a debt discount of $233,233, at the close. The promissory note has a term of four-years with an interest rate of 6% (see note 10 – *Notes Payable)*.

3. ACQUISITIONS (Continued)

Time for Healing, LLC - On April 6, 2020, the Company entered into a membership interest purchase agreement with the members of Time for Healing, LLC ("Healing") to acquire 100% of its ownership interests. The membership interest purchase agreement provided for a $100,000 payment at the close, with a conditional payment of $600,000 subject to Healing obtaining a dispensary license and regulatory approval of the transfer of the membership interests in Healing. On April 20, 2020, the transaction was completed with $100,000 paid to the sellers of Healing and 50% of the contingent payment or $300,000, was put into escrow (see note 13 – *Contingencies)*.

4. INVENTORY

As of December 31, 2020 and 2019, inventory consisted of the following:

	2020	2019
Work-in-Process	$3,285,420	$ 157,713
Finished Goods	6,391,336	4,990,590
Total Inventory	**$9,676,756**	**$5,148,303**

5. PROPERTY AND EQUIPMENT

As of December 31, 2020 and 2019, property and equipment consisted of the following:

	2020	2019
Land and Building	$47,102,103	$23,400,299
Finance Lease Right-of-Use Assets	461,886	228,773
Furniture and Fixtures	67,325	67,325
Leasehold Improvements	3,514,002	3,101,996
Vehicles	643,728	182,988
Machinery and Equipment	3,223,793	2,068,551
Assets Under Construction	773,179	10,840,867
Total Property and Equipment, Gross	55,786,016	39,890,799
Less: Accumulated Depreciation	(3,037,077)	(1,260,249)
Total Property and Equipment, Net	**$52,748,939**	**$38,630,550**

Assets under construction represent construction in progress related to both cultivation and dispensary facilities not yet completed or otherwise not ready for use.

For the year ended December 31, 2020, depreciation expense of $1,766,828 was recorded, of which $1,543,940 is included in cost of goods sold. For the year ended December 31, 2019, depreciation expense of $827,213 was recorded, of which $652,905 is included in cost of goods sold.

For the years ended December 31, 2020 and 2019, the Company capitalized interest of $17,708 and $245,588, respectively.

During the years ended December 31, 2020 and 2019, the Company entered into a sale agreements with third-parties for real property for gross proceeds of $11,740,000 and $13,000,000, respectively, and subsequently leased it back. The terms of the sale agreements and subsequent leasebacks did not meet the criteria for a sale and therefore was retained in the Company's property and equipment. See further discussion of the transaction in Note 9.

6. INTANGIBLE ASSETS

In 2018, the Company purchased a processing license from an unrelated third party. The Company paid $3,575,000 for the processing license, of which $1,000,000 was paid in cash and $2,575,000 in the form of issued promissory notes (see "*Note 10—Notes Payable*").

In 2019, the Company acquired certain identifiable intangible assets in connection with business combinations. See Note 3.

In 2020, the Company acquired a dispensary license for $3,266,777, net of discounts $233,223, of which $350,000 was paid in cash and the balance in a note (see "*Note 10 – Notes Payable*"). Also in 2020, the Company acquired a dispensary license being developed with a $100,000 payment at the close, and a conditional payment of $600,000 subject to certain regulatory requirements (see *"Note 13 – Commitments and Contingencies"*). 50% or $300,000 of the conditional payment was placed into escrow.

As of December 31, 2020 and 2019, intangible assets consist of the following:

	2020	2019
Processing License	$2,889,206	$2,889,206
Dispensary Licenses	5,556,048	2,300,000
Trademarks	105,000	105,000
Total Intangible Assets Subject to Amortization	8,550,254	5,294,206
Less Accumulated Amortization	(901,589)	(353,155)
Intangible Assents, Net	**$7,648,665**	**$4,941,051**

For the years ended December 31, 2020 and 2019, the Company recognized $548,434 and $305,002, respectively, of amortization expense.

The following is the future amortization of intangible assets as of December 31, 2020:

Year Ending December 31,	Processing License	Dispensary Licenses	Trademarks	Total
2021	$ 192,614	$ 370,430	$ 21,000	$ 584,044
2022	192,614	370,430	21,000	584,044
2023	192,614	370,430	21,000	584,044
2024	192,614	370,430	7,583	570,627
2025	192,614	370,430	—	563,044
Thereafter	1,492,675	3,270,188	—	4,762,863
Total Future Amortization	**$ 2,455,744**	**$ 5,122,338**	**$ 70,583**	**$7,648,665**

7. GOODWILL

As of December 31, 2020 and 2019, goodwill was $2,614,391 and $2,614,391, respectively and the carrying amounts of goodwill were associated to each of the following acquisitions as follows:

	2020	2019
Green Leaf Medical of Ohio II, LLC	$2,112,689	$2,112,689
Wellness Institute of Maryland, LLC	139,840	139,840
SKD Reality, LLC	361,862	361,862
	$2,614,391	**$2,614,391**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As of December 31, 2020 and 2019, accounts payable and accrued liabilities consisted of:

	2020	2019
Accounts Payable	$1,611,565	$5,725,160
Accrued Payroll Liabilities	1,120,515	262,495
Other Accrued Liabilities	1,082,649	61,337
Total Accounts Payable and Accrued Liabilities	**$3,814,729**	**$6,048,992**

9. LEASES

Under ASC 842, the Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (“ROU”) assets and accrued obligations under operating lease (current and non-current) liabilities in the consolidated balance sheets. Finance lease ROU assets are included in property and equipment, net and accrued obligations under finance lease (current and noncurrent) liabilities in the consolidated balance sheets.

ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. ROU assets are classified as a finance lease or an operating lease. A finance lease is a lease in which 1) ownership of the property transfers to the lessee by the end of the lease term; 2) the lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise; 3) the lease is for a major part of the remaining economic life of the underlying asset; 4) The present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already included in the lease payments equals or exceeds substantially all of the fair value; or 5) the underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. The Company classifies a lease as an operating lease when it does not meet any one of these criteria.

ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Most operating leases contain renewal options that provide for rent increases based on prevailing market conditions. The Company has lease extension terms at its properties that have either been extended or are likely to be extended. The terms used to calculate the ROU assets for these properties include the renewal options that the Company is reasonably certain to exercise.

The Company leases land, buildings, equipment and other capital assets which it plans to use for corporate purposes and the production and sale of cannabis products. Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheet and are expensed in the consolidated statement of income on the straight-line basis over the lease term.

9. LEASES (Continued)

The below are the details of the lease cost and other disclosures regarding the Company's leases as of December 31, 2020 and 2019:

	2020	2019
Finance Lease Cost		
Amortization of Finance Lease Right-of-Use Assets	$ 36,830	$ 12,479
Interest on Lease Liabilities	42,629	15,083
Operating Lease Cost	260,154	144,338
Total Lease Expenses	**$339,613**	**$171,900**
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Financing Cash Flows from Finance Lease, Net of $42,629 Paid for Interest	$ 14,043	$ 2,958
Operating Cash Flows from Operating Leases, Net of $5,748 Related to Interest	$215,058	$ 68,407
Non-Cash Additions to Right-of-Use Assets and Lease Liabilities:		
Recognition of Right-of-Use Assets for Finance Lease	$233,113	$228,773
Recognition of Right-of-Use Assets for Operating Leases	$761,663	$556,682
Weighted-Average Remaining Lease Term (Years) - Finance Leases	7.80	8.76
Weighted-Average Remaining Lease Term (Years) - Operating Leases	10.00	9.40
Weighted-Average Discount Rate - Finance Leases	13.25%	13.97%
Weighted-Average Discount Rate - Operating Leases	13.25%	13.25%

The discount rate used to determine the commencement date present value of lease payments is the interest rate implicit in the lease, or when that is not readily determinable, the Company utilizes its secured borrowing rate. ROU assets include any lease payments required to be made prior to commencement and exclude lease incentives. Both ROU assets and lease liabilities exclude variable payments not based on an index or rate, which are treated as period costs. The Company's lease agreements do not contain significant residual value guarantees, restrictions or covenants. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

Future lease payments under non-cancelable operating leases and finance leases as of December 31, 2020 are as follows:

Year Ending December 31,	Operating Leases	Finance Leases
2021	$ 266,207	$ 90,293
2022	259,563	92,708
2023	237,805	95,734
2024	194,854	82,687
2025	200,201	84,961
2026 and Thereafter	1,239,330	280,839
Total Future Minimum Lease Payments	2,397,960	727,222
Less: Interest	(1,033,957)	(282,337)
Present Value of Lease Liabilities	1,364,003	444,885
Less: Current Portion of Lease Liabilities	(106,723)	(33,296)
Lease Liabilities, Net of Current Portion	**$ 1,257,280**	**$ 411,589**

9. LEASES (Continued)

Sale and Leaseback Transactions

During the year ended December 31, 2019, the Company sold and subsequently leased back a property in a transaction with a third party for total sales price of $13,000,000 (the "PA SLB"). The Company determined that this sale did not qualify for sale-leaseback treatment under ASC 842 due to prohibited forms of continuing involvement in the assets sold by the Company. Accordingly, the "sold" assets remain within land and building, as appropriate, for the duration of the lease and a construction finance liability equal to the amount of proceeds received was recorded as a construction finance liability on the consolidated balance sheets. The discount rate used for the construction finance liability was 13.97%. The lease term is 15 years. Upon lease termination, the sale will be recognized by removing the remaining carrying values of the assets and construction finance liability with any difference recognized as a gain. During the year ended December 31, 2019, interest expense for the construction finance liability was $1,244,873, of which $695,252 was paid in cash.

During the year ended December 31, 2020, the Company modified the above lease to provide for tenant improvement reimbursements on an undeveloped portion of the real property of up to $30,000,000 less a 1% fee and extended the lease term five years in exchange for additional monthly payments. The Company determined the tenant improvement reimbursements and associated lease payments qualified for separate recognition from the original leased property (the "PA Incremental SLB"). The PA Incremental SLB did not qualify for sale leaseback treatment under ASC 842 due to prohibited forms of continuing involvement in the assets sold by the Company, Accordingly, the "sold" assets remain within building and assets under construction, as appropriate, for the duration of lease and a construction finance liability equal to the amount of proceeds received was recorded as a construction finance liability on the consolidated balance sheets. The five-year extension of the PA SLB was recognized as a modification of the original terms with the related discount rate modified accordingly for balance of the term. As of December 31, 2020, the discount rate used for the PA SLB and the PA Incremental SLB was 14.65% and 15.44%, respectively. During the year ended December 31, 2020, the interest expense for the aggregate PA SLB and PA Incremental SLB construction finance liabilities were $3,905,770, of which $1,693,223 was paid in cash. During the year ended December 31, 2020, the Company was reimbursed $755,722.

During the year ended December 31, 2020, the Company sold one property and subsequently leased back a property in a transaction with a third party for a total sales price of $11,740,000 (the "VA SLB"). Additionally, the lease included tenant improvement allowances of $8,010,000 less a 1% management fee which was fully utilized during 2020. The Company determined that this sale did not qualify for sale leaseback accounting as the resulting lease was a finance lease under ASC 842 and thus did not meet the criteria for transfer of control under ASC 606. Accordingly, the asset remained on the Company's Consolidated Balance Sheets as of December 31, 2020 at its cost basis and the Company recorded a financing liability for the amount of consideration received. The financing liability is included in construction finance liability on the Consolidated Balance Sheets. The discount rate used for the VA SLB construction finance liability as of December 31, 2020 was 14.28%, and the lease term is 15.25 years. During the year ended December 31, 2020 the interest expense for the VA SLB construction finance liability was $2,436,751, of which $1,831,236 was paid in cash.

9. LEASES (Continued)

Future minimum payments under the construction finance liability is as follows:

Year Ending December 31,	
2021	$ 8,411,657
2022	8,861,347
2023	9,151,569
2024	9,451,380
2025	9,761,096
Thereafter	193,306,758
Total Future Minimum Payments	238,943,807
Less: Interest	(174,047,282)
Present Value of Construction Finance Liability	64,896,525
Less: Tenant Improvement Receivable	(28,944,278)
Net Construction Finance Liability	35,952,247
Less: Current Portion of Construction Finance Liability Principal	—
Construction Finance Liability, Net of Current Portion	**$ 35,952,247**

For the years ending December 31, 2021 through December 31, 2025, interest is expected to exceed the monthly cash payments such that the balance of the interest will be treated as paid-in-kind. At the end of the lease term, the final payment is the transfer of the underlying asset to the landlord where its expected net book value will equal the remaining principal balance of the construction finance liability.

10. NOTES PAYABLE

As of December 31, 2020 and 2019, the Company's notes payable consisted of:

	2020	2019
Promissory note issued in January 2018 for the purchase of a processing license, which matures in April 2021 and bears no interest, with principal payments based upon the lesser 5% of gross revenue of the Company or the remaining balance and bears no interest (discount is based on imputed interest rate of 13.25%) and secured by the underlying asset.	$ 695,483	$ 1,557,443
Promissory note issued in March 2018 for the purchase of real property, which matures in April 2038 and bears interest at a rate of 4.0% per annum with monthly payments of principal and interest of $19,255 (discount is based on imputed interest rate of 13.25%) and secured by the underlying asset.	3,410,682	3,503,426
Promissory notes issued in March and August 2020, which matures in March 2023 and bears interest at a rate of 13.18% per annum with monthly payments of principal and interest of $100,000 beginning on March 31, 2021, secured by the Company's membership interests, and subject to certain financial covenants, including liquidity, consolidated total leverage ratio, and consolidated fixed charge coverage ratio. The Company was in compliance with the financial covenants as of December 31, 2020. Issuance costs were $557,886.	6,000,000	—
Promissory note dated April 2020 for the deferred payments on a dispensary license which mature on April 2024 and bears interest at a rate of 6.0% per annum with monthly payments of principal and interest of $73,977 and secured by the underlying asset.	2,680,865	—
Promissory notes issued in November 2019 for the purchase of automobiles, which mature November 2023 and bears interest at a rate of 11.13% per annum with monthly payments of principal and interest and secured of $2,295 by the underlying assets.	40,640	86,460
Total Notes Payable	12,827,670	5,147,329
Less: Unamortized Discount	(3,327,080)	(1,614,023)
Less: Current Portion of Notes Payable	(2,652,146)	(973,485)
Notes Payable, Net of Current Portion	**$ 6,848,444**	**$ 2,559,821**

The following is the expected future principal payments of the notes payable as of December 31, 2020:

Year Ending December 31,	Payments
2021	$ 2,652,146
2022	2,108,038
2023	4,661,152
2024	405,984
2025	113,240
Thereafter	2,887,110
Total Future Debt Payments	**$12,827,670**

11. MEMBERS' EQUITY

Authorized Units

The Company is authorized to issue up to 10,000,000 member units which is subdivided into 3,900,000 Founder Units, 6,000,000 Member Units of classes that are determined by the Company and 200,000 Participation Units. Founder Unit and Member Unit holders are entitled to one vote per unit. Participation Unit holders are not entitled to any votes but are entitled to their share of profits and losses as defined in the Company's operating agreement. Member Units are further divided by Class from A through G. Certain actions of the Company require the approval of the majority of the Class A through C Unit holders including, authorization of a new class or series of member units; redemption of more than 5% of the outstanding member units; and increase the number of the Company's board seats above seven. Upon a liquidation event, Member Units are generally entitled to their pro-rata portion of total equity instruments then outstanding to reduce the holders invested capital to zero and any remaining is shared pro rata share among the member units holders. Other than what is described above, each class of units generally has the same terms and rights.

Issued Units

At inception, the Company issued 3,789,224 Founder Units and received proceeds totaling $100,000.

From inception through December 31, 2016, the Company sold and issued 1,373,797 Class A Investor Units and received aggregate proceeds of $1,620,524 for purposes of raising capital in connection with the Company's application for a license to grow medical cannabis in Maryland. During 2019, the Company redeemed 10,000 Class A Investor Units for $150,000.

During the years ended December 31, 2016 and 2017, the Company raised $7,017,589 of capital through the sale and issuance of 981,482 Class B Investor Units.

The Company sold and issued 290,833 and 34,544 Class C Investor Units during the years ended December 31, 2017 and 2018, respectively, and raised a total of $2,999,992 for general business purposes, acquisitions and facility costs through the sale and issuance of such Class C Investor Units.

In July 2018, the Company raised $11,086,801 of capital through the sale and issuance of 739,650 Class D Investor Units.

In January 2019, the Company raised $1,375,000 of capital through the sale and issuance of 67,769 Class E Investor Units less $100,000 subscription receivable.

In May 2019, the Company issued 383,352 of Class F Investor Units in the amount of $8,129,079 to VPP, LLC to acquire the remaining 40% interest to own all the outstanding interest in Green Leaf Medical of Virginia, LLC. The amount in excess of the previously recorded noncontrolling interest was recorded as a reduction of equity on the consolidated statement of changes in members' equity.

In September 2019, the Company raised $1,549,799 of capital through the sale and issuance of 70,159 Class G Investor Units less $100,00 subscription receivable.

During 2020, the Company raised $237,517 of capital through the sale and issuance of 10,753 of Class G Investor Units.

In March and August 2020, the Company issued an aggregate of 94,823 warrants in connection with notes issued contemporaneously. The warrants have a term of 15 years, an aggregate exercise price of $2,362,500 and are subject to certain standard anti-dilution provisions. The warrants were recorded at fair value at its issuance date.

11. MEMBERS' EQUITY (Continued)

Below are the assumptions used in the fair value determination at the issuance of warrants on March 27, 2020 and August 14, 2020:

	March 27, 2020	August 14, 2020
Weighted-Average Risk-Free Annual Interest Rate	0.30%	0.20%
Weighted-Average Expected Annual Dividend Yield	0.0%	0.0%
Weighted-Average Expected Stock Price Volatility	77.2%	89.8%
Weighted-Average Expected Life in Years	3.00	3.00

Non-Controlling Interest

During the years ended December 31, 2020 and 2019, the Company recorded income attributable to non-controlling interest of $3,503,012 and $777,161, respectively. During the year ended December 31, 2020, non-controlling members made contributions in the amount of nil, and distributions of $3,668,763. During the year ended December 31, 2019, non-controlling members made contributions in the amount of $74,880 related to Green Lead Medical of Virginia, LLC and distributions of $1,210,614. As part of the business combination of Green Leaf Medical of Ohio III, the equity interests not held by the Company were recognized at fair value of $2,308,000. As part of the business combination of Wellness Institute of Maryland, LLC, the equity interest not held by the Company were recognized at fair value of $1,015,000. The Company acquired the noncontrolling interest of Green Leaf Medical of Virginia, LLC with the issuance of 4.99% of the Company's units with an aggregate fair value of $8,129,079.

Share-Based Compensation

During the year ended December 31, 2020, the Company issued 4,746 Participant Units. The Participation Units vested immediately. The Participation Units were valued using the fair value of the Company's common units in the period they were issued which was $22.09 per unit. For the years ended December 31, 2020 and 2019, the Company recognized share based compensation related to these Participation Units in the amount of $162,041 and $25,000, respectively.

12. PROVISION FOR INCOME TAXES AND DEFERRED INCOME TAXES

Effective January 1, 2020, the Company elected to change its income tax status from a partnership entity to a C-Corporation. This resulted in the Company incurring income taxes as opposed to being treated as a pass-through entity to its members. The change in income tax status resulted in net deferred tax assets of $262,848 as of January 1, 2020. As the Company operates in the legal cannabis industry, the Company is subject to the limits of the Internal Revenue Code (the "IRC") Section 280E for U.S. federal, Maryland, Pennsylvania, Virginia and Ohio state income tax purposes under which the Company is only allowed to deduct expenses directly related to sales of product. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E.

12. PROVISION FOR INCOME TAXES AND DEFERRED INCOME TAXES (Continued)

Provision for income taxes consists of the following for the year ended December 31, 2020:

Current:	
Federal	$ 8,772,673
State	3,889,910
Total Current Tax Expense	12,662,582
Deferred:	
Federal	(619,813)
State	(226,147)
Total Deferred Tax Expense	(845,960)
Total Provision for Income Taxes	$11,816,622

As of December 31, 2020, the unrecognized temporary differences of the Company that give rise to the significant portions of the Company's deferred tax assets and liabilities were as follows:

Deferred Tax Assets:	
Accrued Liabilities	$ 75,825
Leases	9,808,574
Total Deferred Tax Assets	9,884,399
Deferred Tax Liabilities:	
481a Adjustment	(1,197,449)
Fixed Assets & Intangibles	(7,840,990)
Net Deferred Tax Assets (Liabilities)	$ 845,960

The reconciliation between the effective tax rate on income from operations and the statutory tax rate is as follows:

Computed Expected Tax Expense	$ 5,298,968
Changes in Income Taxes Resulting From:	
State Taxes (Net of Federal Tax Benefits):	3,663,763
Passthrough Items	(559,647)
Section 280E Non-Deductible	3,629,370
Depreciable Assets Basis Adjustments	(215,831)
Total Provision for Income Taxes	$11,816,622

13. COMMITMENTS AND CONTINGENCIES

Contingencies

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of these regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management of the Company believes that the Company is in compliance with applicable local and state regulations as of December 31, 2020, marijuana regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties or restrictions in the future.

Acquisitions and Investments

On April 6, 2020, the Company entered into a membership interest purchase agreement ("Purchase Agreement") with the members of Time for Healing, LLC ("Healing") to acquire 100% of its ownership interests. The Purchase Agreement provided for a $100,000 payment at the close, with a conditional payment of $600,000 subject to Healing obtaining a dispensary license and regulatory approval of the transfer of the membership interests in Healing. On April 20, 2020, the transaction was completed with $100,000 paid to the sellers of Healing and 50% of the contingent payment or $300,000, was put into escrow. The amounts put in escrow were included in security deposits and other assets on the consolidated balance sheets. To date, the dispensary license has not been obtained.

Claims and Litigation

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2020, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

As of December 31, 2020, there are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party to the Company or has a material interest adverse to the Company's interest.

14. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through September 7, 2021, which is the date these consolidated financial statements were issued.

Sale of Green Cannabis Care of West Virginia, LLC

On April 21, 2021, the Company sold its 80% interest in Cannabis Care of West Virginia, LLC (formerly known as Green Leaf Medical of West Virginia, LLC) ("Cannabis Care") to Cannabis Care's noncontrolling interest holder in exchange for $100,000 in cash.

Repayments of Notes Payable

During April 2021, $6,000,000 of notes payable, initially borrowed in March 2020 and August of 2020, were fully repaid.

During April 2021, the balance of the note payable related to a 2020 asset acquisition was fully repaid.

During April 2021, the balance of the note payable issued in January 2018 was fully repaid.

Acquisition of WIM Equity

During April 2021, the Company exercised its option to acquire all the outstanding equity of WIM for $1,000,000 which was previously held in escrow.

14. SUBSEQUENT EVENTS (Continued)

Acquisition by Columbia Care Inc.

On December 22, 2020, Columbia Care Inc. and the Company entered into an "Agreement and Plan of Merger" whereby Columbia Care, Inc. and related entities will acquire the Company. On June 11, 2021, Columbia Care, Inc. closed on the acquisition with the Company, and certain subsidiaries of the Company were spun-off and not included in the acquisition.

Lease Agreements

During March 2021 and June, 2021, the Company entered into two new lease agreements for real property. The terms of the lease agreements were aggregate monthly lease payments of $22,800 to $27,189 per month with a term of 10 years and two five-year renewal options.

Green Leaf Medical, LLC
Unaudited Condensed Consolidated Financial Statements

As of and for the three-month period ended
March 31, 2021

Green Leaf Medical, LLC
Contents

Green Leaf Medical, LLC
Interim Condensed Consolidated Balance Sheets
As of March 31, 2021 (Unaudited)

Current Assets:	
Cash and Cash Equivalents	$ 31,886,126
Accounts Receivable, Net	3,702,988
Inventory	10,295,379
Prepaid Expenses and Other Current Assets	860,010
Total Current Assets	46,744,503
Property and Equipment, Net	52,666,129
Intangible Assets, Net	7,502,662
Goodwill	2,614,391
Operating Lease Right-of-Use Assets	1,366,945
Deferred Tax Assets	1,279,225
Security Deposits and Other Assets	1,495,236
TOTAL ASSETS	**$ 113,669,091**
LIABILITIES AND MEMBERS' EQUITY	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	$ 3,096,292
Income Taxes Payable	17,926,317
Customer Deposits	17,407
Current Portion of Notes Payable	2,451,208
Current Portion of Operating Lease Liabilities	134,193
Current Portion of Finance Lease Liabilities	31,807
Total Current Liabilities	23,657,224
Construction Finance Liabilities, Net of Current Portion	36,702,475
Notes Payable, Net of Current Portion	6,739,917
Operating Lease Liabilities, Net of Current Portion	1,277,143
Finance Lease Liability, Net of Current Portion	406,126
TOTAL LIABILITIES	**68,782,885**
Members' Capital	34,224,543
Retained Earnings	7,934,827
Total Members' Equity Attributable to Green Leaf Medical, LLC.	42,159,370
Non-Controlling Interest	2,726,836
TOTAL MEMBERS' EQUITY	**44,886,206**
TOTAL LIABILITIES AND MEMBERS' EQUITY	**$ 113,669,091**

See accompanying notes to the interim condensed consolidated financial statements.

Green Leaf Medical, LLC
Interim Condensed Consolidated Statements of Income
For the Three-Month Period Ended March 31, 2021 (Unaudited)

Revenues, Net	$ 28,553,478
Cost of Goods Sold	10,393,373
Gross Profit	18,160,105
Operating Expenses:	
General and Administrative	4,406,264
Sales and Marketing	221,448
Depreciation and Amortization	394,510
Total Operating Expenses	5,022,222
Income from Operations	13,137,883
Interest Expense	3,017,055
Net Income Before Provision for Income Taxes	10,120,828
Provision for Income Taxes	4,830,470
Net Income	5,290,358
Net Income Attributable to Non-Controlling Interest	1,394,866
Net Income Attributable to Members' of the Company	**$ 3,895,492**

See accompanying notes to the interim condensed consolidated financial statements.

Green Leaf Medical, LLC
Interim Condensed Consolidated Statements of Member's Equity
Three Month Period Ended March 31, 2021 (Unaudited)

	Number of Units													
	Common Units	*Class A Units*	*Class B Units*	*Class C Units*	*Class D Units*	*Class E Units*	*Class F Units*	*Class G Units*	*Partic-ipation Units*	*Members Capital*	Retained Earnings	Total Members' Equity Attributable to Green Leaf Medical, LLC	Non-controlling Interest	Total Members' Equity
BALANCE AS OF JANUARY 1, 2021	***3,789,224***	***1,363,797***	***981,482***	***325,377***	***739,650***	***67,769***	***383,352***	***80,912***	***29,171***	**$34,224,543**	**$4,039,335**	**$ 38,263,878**	**$ 2,723,797**	**$40,987,675**
Distribution to Members	—	—	—	—	—	—	—	—	—	—	—	—	(1,391,827)	(1,391,827)
Net Income	—	—	—	—	—	—	—	—	—	—	3,895,492	3,895,492	1,394,866	5,290,358
BALANCE AS OF MARCH 31, 2021	***3,789,224***	***1,363,797***	***981,482***	***325,377***	***739,650***	***67,769***	***383,352***	***80,912***	***29,171***	**$34,224,543**	**$7,934,827**	**$ 42,159,370**	**$ 2,726,836**	**$44,886,206**

See accompanying notes to the interim condensed consolidated financial statements.

Green Leaf Medical, LLC
Interim Condensed Consolidated Statements of Cash Flows
For the Three-Month Period Ended March 31, 2021 (Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income	$ 5,290,358
Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities:	
Depreciation and Amortization	692,889
Amortization of Debt Discount	314,714
Paid-in-kind Interest on Construction Finance Liability	750,228
Amortization of ROU Assets	(92,517)
Deferred Tax Expense	(433,265)
Changes in Operating Assets and Liabilities:	
Accounts Receivable	1,698,701
Inventory	(618,623)
Prepaid Expenses and Other Current Assets	(392,742)
Security Deposit	(20,438)
Accounts Payable and Accrued Liabilities	(1,005,338)
Income Taxes Payable	5,263,735
Customer Deposits	(13,981)
Operating Lease Liabilities	93,922
NET CASH PROVIDED BY OPERATING ACTIVITIES	**11,527,642**
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of Property and Equipment	(126,720)
Capitalized Interest from Construction	(50,454)
NET CASH USED IN INVESTING ACTIVITIES	**(177,174)**
CASH FLOWS FROM FINANCING ACTIVITIES:	
Distributions	(1,391,827)
Principal Repayments of Finance Lease Liability	(6,952)
Principal Repayments of Notes Payable	(624,179)
NET CASH USED IN FINANCING ACTIVITIES	**(2,022,958)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**9,327,510**
Cash and Cash Equivalents, Beginning of Year	22,558,616
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 31,886,126**

See accompanying notes to the interim condensed consolidated financial statements.

Green Leaf Medical, LLC
Interim Condensed Consolidated Statements of Cash Flows
For the Three-Month Period Ended March 31, 2021 (Unaudited)

SUPPLEMENTAL DISCLOSURE FOR CASH FLOW INFORMATION:	
Cash Paid for Interest	$1,952,112
NON-CASH INVESTING AND FINANCING ACTIVITIES:	
Obtaining a Right-of-Use Asset in Exchange for an Operating Lease Liability	$ 46,589
Property and Equipment Acquired in Exchange for Accounts Payable	$ 286,902

See accompanying notes to the interim condensed consolidated financial statements.

Green Leaf Medical, LLC
Notes to the Interim Condensed Consolidated Financial Statements

1. NATURE OF OPERATIONS

Green Leaf Medical, LLC ("Green Leaf" or the "Company") is a medical cannabis company formed in April 2014. The Company is a multi-state operator of medical cannabis facilities with cultivation, extraction, and retail licenses in Maryland, Pennsylvania, Virginia, and Ohio.

The Company was incorporated in the State of Maryland. The principal address of the Company is 267 Kentlands Boulevard, Suite 1070, Gaithersburg, Maryland 20878.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The accompanying interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and reflect the accounts and operations of the Company and those of the Company's subsidiaries in which the Company has a controlling financial interest.

All intercompany transactions and balances have been eliminated in consolidation. In the opinion of management, all adjustments considered necessary for a fair presentation of the consolidated financial position of the Company as of March 31, 2021, and the consolidated results of income and cash flows for the three-month period ended March 31, 2021 have been included. In accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, "Consolidation ("ASC 810")", the Company consolidates any variable interest entity ("VIE"), of which the Company is the primary beneficiary.

The accompanying unaudited interim condensed consolidated financial statements do not include all of the information required for full annual financial statements. Accordingly, certain information, footnotes and disclosures normally included in the annual financial statements, prepared in accordance with GAAP, have been condensed or omitted in accordance with SEC rules and regulations within Article 10 of Regulation S-X. The financial data presented herein should be read in conjunction with the audited consolidated financial statements year ended December 31, 2020.

Basis of Measurement

These interim condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments, which are measured at fair value.

COVID-19

In March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus, COVID-19. The pandemic is having an unprecedented impact on the U.S. economy as federal, state, and local governments react to this public health crisis, which has created significant uncertainties. During the current reporting period, aspects of the Company's business were affected by the COVID-19 pandemic, with the Company's offices, medical cannabis facilities and retail locations operating within local rules and regulations. While the ultimate severity of the outbreak and its impact on the economic environment is uncertain, the Company is monitoring this closely. In the event that the Company were to experience widespread transmission of the virus at one or more of the Company's medical cannabis facilities or retail locations, the Company could suffer reputational harm or other potential liability. Further, the Company's business operations may be materially and adversely affected if a significant number of the Company's employees are impacted by the virus.

Functional Currency

The Company and its subsidiaries' functional currency, as determined by management, is the United States ("U.S.") dollar. These interim condensed consolidated financial statements are presented in U.S. dollars.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Consolidation

These interim condensed consolidated financial statements as of and for the three-month period ended March 31, 2021 include the accounts of the Company, its wholly-owned subsidiaries and entities over which the Company has control as defined in ASC 810. Subsidiaries over which the Company has control are fully consolidated from the date control commences until the date control ceases. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are currently exercisable are taken into account.

Consolidation of Variable Interest Entities ("VIE")

Wellness Institute of Maryland, LLC ("WIM") is a VIE of the Company because the Company has the power to direct the activities of WIM that most significantly impact WIM's economic performance, as well as the Company has the obligation to absorb losses of WIM that could potentially be significant to WIM or the right to receive benefits from WIM that could potentially be significant to WIM.

As of and for the three-month period ended March 31, 2021, the balances of WIM consisted of the following:

Current Assets	$1,428,624
Non-Current Assets	1,082,900
Total Assets	**$2,511,524**
Current Liabilities	$ 924,852
Non-Current Liabilities	1,195,513
Total Liabilities	**$2,120,365**
Non-Controlling Interest	**$ 391,159**
Revenues	**$4,834,716**
Net Income Attributable to Non-Controlling Interest	**$1,011,072**

The net change in WIM are as follows for the three-month period ended March 31, 2021:

Balance as of December 31, 2020	$ 370,116
Net Income	1,011,072
Cash Distributions to Members'	(990,029)
Balance as of March 31, 2021	**$ 391,159**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Customer Loyalty Program

The Company maintains customer loyalty rewards program that allows members to earn discounts on future purchases. Unused discounts earned by loyalty rewards program members are included in accrued liabilities and recorded as a sales discount at the time a qualifying purchase is made. The value of points accrued as of March 31, 2021 was approximately $151,607, which is recorded under accrued liabilities on the balance sheet. Currently, unused points do not expire in most cases.

Revenues are disaggregated for the three-month period ended March 31, 2021 as follows:

Cultivation and Wholesale	$21,369,238
Dispensary	12,909,805
Other	64,615
Intercompany sales	(5,790,180)
	$28,553,478

Concentration of Business and Credit Risk

The Company maintains cash with various U.S. banks and credit unions with balances in excess of the Federal Deposit Insurance Corporation and National Credit Union Share Insurance Fund limits, respectively. The failure of a bank or credit union where the Company has significant deposits could result in a loss of a portion of such cash balances in excess of the insured limit, which could materially and adversely affect the Company's business, financial condition and results of operations.

The Company provides credit in the normal course of business to customers located throughout the Northeastern U.S. The Company performs ongoing credit evaluations of its customers and maintains allowances for doubtful accounts based on factors surrounding the credit risk of specific customers, historical trends, and other information. For the three-month period ended March 31, 2021, there were no customers that comprised more than 10% of the Company's revenue or accounts receivable.

Recently Adopted Accounting Standards

In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-13, "*Financial Instruments*

- *Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments*" ("ASU 2016-13"), which replaces the incurred loss model with a current expected credit loss ("CECL") model and requires consideration of a broader range of reasonable and supportable information to explain credit loss estimates. Under the new standard, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable. The Company is not required to track the changes in credit risk. The guidance must be adopted using a modified retrospective transition method through a cumulative-effect adjustment to retained earnings in the period of adoption. The Company adopted ASU 2016-13 on January 1, 2020. The adoption of the standard did not have a material impact on the Company's Consolidated Financial Statements.

In August 2018, the FASB issued ASU 2018-13, "*Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*" ("ASU 2018-13"), which removes, modifies, and adds certain disclosure requirements in Topic 820 "Fair Value Measurement". Per ASU 2018-13 certain disclosures are eliminated which relate to transfers and the valuations process, modifies disclosures for investments that are valued based on net asset value, clarifies the measurement uncertainty disclosure, and requires additional disclosures for Level 3 fair value measurements. ASU 2018-13 must be applied prospectively and is effective in fiscal years beginning after December 15, 2019. The Company adopted the new standard on January 1, 2020. The adoption of the standard did not have a material impact on the Company's Consolidated Financial Statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In August 2020, the FASB issued ASU No. 2020-06, *"Accounting for Convertible Instruments and Contracts in an Entity's Own Equity"* ("ASU 2020-06"), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 removes from U.S. GAAP the liability and equity separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, Derivatives and Hedging, or (2) a convertible debt instrument was issued at a substantial premium. Among other potential impacts, this change is expected to reduce reported interest expense, increase reported net income, and result in a reclassification of certain conversion feature balance sheet amounts from stockholders' equity to liabilities as it relates to the Company's convertible senior notes. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share (EPS), which is consistent with the Company's accounting treatment under the current standard. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted for fiscal years beginning after December 15, 2020 and can be adopted on either a fully retrospective or modified retrospective basis. The Company early adopted the new standard on January 1, 2020. The adoption of the standard did not have a material impact on the Company's Consolidated Financial Statements.

Recently Issued Accounting Standards

FASB ASU No. 2019-12, "Simplifying the Accounting for Income Taxes"– Issued in December 2019, ASU 2019-12 eliminates certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. The Company is currently evaluating the adoption date and impact, if any, adoption will have on its financial position and results of operations.

FASB ASU 2020-01, "Investments—Equity Securities (Topic 321)", "Investments—Equity Method and Joint Ventures (Topic 323)", and "Derivatives and Hedging (Topic 815)" – Issued in January 2020, ASU 2020-01 is intended to clarify the interaction of the accounting for equity securities under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contracts and purchased options accounted for under Topic 815. ASU 2020-01 is effective for the Company beginning January 1, 2021. The Company is currently evaluating the adoption date and impact, if any, adoption will have on its financial position and results of operations.

3. INVENTORY

As of March 31, 2021, inventory consisted of the following:

Work-in-Process	$ 3,293,860
Finished Goods	7,001,519
Total Inventory	**$10,295,379**

4. PROPERTY AND EQUIPMENT

As of March 31, 2021, property and equipment consisted of the following:

Land & Building	$47,066,464
Finance Lease Right-of-Use Assets	461,886
Furniture & Fixtures	72,536
Leasehold Improvements	3,677,378
Vehicles	689,197
Machinery & Equipment	3,223,793
Assets Under Construction	1,058,837
Total Property and Equipment, Gross	56,250,091
Less: Accumulated Depreciation	(3,583,962)
Total Property and Equipment, Net	**$52,666,129**

For the three-month period ended March 31, 2021, depreciation expense of $546,885 was recorded, of which $248,506 is included in cost of goods sold.

For the three-month period ended March 31, 2021, the Company capitalized interest of $50,454.

5. INTANGIBLE ASSETS

As of March 31, 2021, intangible assets consist of the following:

Processing License	$ 2,889,206
Dispensary Licenses	5,556,048
Trademarks	105,000
Total Intangible Assets	$ 8,550,254
Less Accumulated Amortization	(1,047,592)
Intangible Assets, Net	**$ 7,502,662**

For the three-month period ended March 31, 2021, the Company recognized $146,004 of amortization expense.

6. GOODWILL

As of March 31, 2021, goodwill was $2,614,391 and the carrying amounts of goodwill were associated to each of the acquisitions as follows:

Green Leaf Medical of Ohio II, LLC	$2,112,689
Wellness Institute of Maryland, LLC	139,840
SKD Realty, LLC	361,862
	$2,614,391

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As of March 31, 2021, accounts payable and accrued liabilities consisted of:

Accounts Payable	$1,056,762
Accrued Liabilities	2,039,530
Total Accounts Payable and Accrued Liabilities	**$3,096,292**

8. LEASES

The below are the details of the lease cost and other disclosures regarding the Company's leases as of March 31, 2021:

	March 31, 2021
Finance Lease Cost	
Amortization of Finance Lease Right-of-Use Assets	$ 14,871
Interest on Lease Liabilities	14,651
Operating Lease Cost	75,655
Total Lease Expenses	**$ 105,177**
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Financing Cash Flows from Finance Lease	$ 6,952
Operating Cash Flows from Operating Leases	$ 93,922
Non-Cash Additions to Right-of-Use Assets and Lease Liabilities:	
Recognition of Right-of-Use Assets for Finance Lease	$ —
Recognition of Right-of-Use Assets for Operating Leases	$ 46,589
Weighted-Average Remaining Lease Term (Years)—Finance Leases	7.58
Weighted-Average Remaining Lease Term (Years)—Operating Leases	9.90
Weighted-Average Discount Rate—Finance Leases	13.25%
Weighted-Average Discount Rate—Operating Leases	13.25%

Future lease payments under non-cancelable operating leases and finance leases are as follows:

Fiscal Year Ending	Operating Leases	Finance Lease
March 31, 2022	$ 303,426	$ 90,891
March 31, 2023	258,154	93,333
March 31, 2024	228,630	92,591
March 31, 2025	204,572	83,248
March 31, 2026	209,951	85,551
March 31, 2027 and Thereafter	1,245,930	260,007
Total Future Minimum Lease Payments	2,450,662	705,620
Less: Interest	(1,039,326)	(267,686)
Present Value of Lease Liability	$ 1,411,336	$ 437,934
Less: Current Portion of Lease Liability	(134,193)	(31,807)
Lease Liability, Net of Current Portion	**$ 1,277,143**	**$ 406,126**

8. LEASES (Continued)

Sale and Leaseback Transactions

On May 20, 2019, the Company sold and subsequently leased back a property in a transaction with a third party for total sales price of $13,000,000 (the "PA SLB"). During the three-month period ended March 31, 2021, interest expense for the PA SLB construction finance liability was $506,918, of which $424,673 was paid in cash.

On July 20, 2020, the Company modified the above lease to provide for tenant improvement reimbursements on an undeveloped portion of the real property of up to $30,000,000 less a 1% fee and extended the lease term five years in exchange for additional monthly payments. The Company determined the tenant improvement reimbursements and associated lease payments qualified for separate recognition from the original leased property (the "PA Incremental SLB"). During the three-month period ended March 31, 2021, the interest expense for the PA Incremental SLB construction finance liabilities were $1,205,883, of which $860,646 was paid in cash. During the three-month period ended March 31, 2021, the Company was reimbursed $235,205.

On January 15, 2020, the Company sold one property and subsequently leased back a property in a transaction with a third party (the "VA SLB"). During the three-month period ended March 31, 2021 the interest expense for the VA SLB construction finance liability was $750,228, of which $666,983 was paid in cash.

Future minimum payments under the construction finance liability are as follows:

Year Ending	
March 31, 2022	$ 8,649,842
March 31, 2023	8,933,076
March 31, 2024	9,225,668
March 31, 2025	9,527,926
March 31, 2026	9,840,172
March 31, 2027 and Thereafter	190,814,823
Total Future Minimum Payments	236,991,506
Less: Debt Discount	(336,190)
Less: Interest	(171,243,768)
Present Value of Construction Finance Liability	65,411,548
Less: Tenant Improvement Receivable	(28,709,073)
Net Construction Finance Liability	36,702,475
Less: Current Portion of Construction Finance Liability Principal	—
Construction Finance Liability, Net of Current Portion	**$ 36,702,475**

For the years ending December 31, 2022 through December 31, 2026, interest will exceed the monthly cash payments such that the balance of the interest will be paid-in-kind. At the end of the lease term, the final payment is the transfer of the underlying asset to the landlord where its expected net book value will equal the remaining principal balance of the construction finance liability.

9. NOTES PAYABLE

As of March 31, 2021, the Company's notes payable consisted of:

Promissory note issued in January 2018 for the purchase of an intangible asset, which matures in April 2021 and bears no interest, with principal payments based upon the lesser 5% of gross revenue of the Company or the remaining balance and bears no interest (discount is based on imputed interest rate of 13.25%) and secured by the underlying asset.	$ 381,954
Promissory note issued in March 2018 for the purchase of real property, which matures in April 2038 and bears interest at a rate of 4.0% per annum with monthly payments of principal and interest (discount is based on imputed interest rate of 13.25%) and secured by the underlying asset.	3,386,912
Promissory notes issued in March and August 2020, which matures in March 2023 and bears interest at a rate of 13.18% per annum with monthly payments of principal and interest and secured by the Company's membership interests.	5,900,000
Promissory note dated April 2020 for the deferred payments on an asset acquisition which mature on April 2024 and bears interest at a rate of 6.0% per annum with monthly payments of principal and interest and secured by the underlying asset.	2,497,002
Promissory notes issued in November 2019 for the purchase of automobiles, which mature November 2023 and bears interest at a rate of 11.13% per annum with monthly payments of principal and interest and secured by the underlying assets.	37,622
Total Notes Payable	12,203,490
Less: Unamortized Discount	(3,012,365)
Less: Current Portion of Notes Payable	(2,451,208)
Notes Payable, Net of Current Portion	**$ 6,739,917**

The following is the expected future principal payments of the notes payable as of March 31, 2021:

Year Ending March 31,	Scheduled Payments
2022	$ 2,451,208
2023	2,131,686
2024	4,460,857
2025	187,277
2026	114,376
Thereafter	2,858,086
Total Future Debt Payments	**$12,203,490**

10. MEMBERS' EQUITY

Non-Controlling Interest

During the three-month period ended March 31, 2021, the Company recorded income attributable to non-controlling interest of $1,394,866. During the three-month period ended March 31, 2021, non-controlling members made contributions in the amount of nil, and distributions of $1,391,827.

11. PROVISION FOR INCOME TAXES AND DEFERRED INCOME TAXES

The Company has computed its provision for income taxes under the discrete method which treats the year-to-date period as if it were the annual period and determines the income tax expense or benefit on that basis. The discrete method is applied when application of the estimated annual effective tax rate is impractical because it is not possible to reliably estimate the annual effective tax rate. The Company believes that, at this time, the use of this discrete method is more appropriate than the annual effective tax rate method as the estimated annual effective tax rate method is not reliable due to the high degree of uncertainty in estimating annual pre-tax income due to the early growth stage of the business.

The reconciliation between the effective tax rate on income from operations and the statutory tax rate is as follows:

Computed Expected Tax Expense	$2,125,374
Changes in Income Taxes Resulting From:	
State Taxes (Net of Federal Tax Benefits):	1,483,906
Passthrough Items	(212,326)
Section 280E Non-Deductible	1,433,516
Total Provision for Income Taxes	$4,830,470

12. COMMITMENTS AND CONTINGENCIES

Contingencies

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of these regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management of the Company believes that the Company is in compliance with applicable local and state regulations as of March 31, 2021, marijuana regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties, or restrictions in the future.

Acquisitions and Investments

On April 6, 2020, the Company entered into a membership interest purchase agreement ("Purchase Agreement") with the members of Time for Healing, LLC ("Healing") to acquire 100% of its ownership interests. The Purchase Agreement provided for a $100,000 payment at the close, with a conditional payment of $600,000 subject to Healing obtaining a dispensary license and regulatory approval of the transfer of the membership interests in Healing. On April 20, 2020, the transaction was completed with $100,000 paid to the sellers of Healing and 50% of the contingent payment or $300,000, was put into escrow. The amounts put in escrow were included in security deposits and other assets on the consolidated balance sheet. To date, the dispensary license has not been obtained.

12. COMMITMENTS AND CONTINGNECIES (Continued)

Claims and Litigation

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of March 31, 2021, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

As of March 31, 2021, there are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party to the Company or has a material interest adverse to the Company's interest.

13. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through November 8, 2021, which is the date these condensed consolidated financial statements were issued.

Sale of Green Cannabis Care of West Virginia, LLC

On April 21, 2021, the Company sold its 80% interest in Cannabis Care of West Virginia, LLC (formerly known as Green Leaf Medical of West Virginia, LLC) ("Cannabis Care") to Cannabis Care's noncontrolling interest holder in exchange for $100,000 in cash.

Acquisition by Columbia Care Inc.

On December 22, 2020, Columbia Care Inc. and the Company entered into an "Agreement and Plan of Merger" whereby Columbia Care, Inc. and related entities will acquire the Company. On June 11, 2021, Columbia Care, Inc. closed on the acquisition with the Company, and certain subsidiaries of the Company were spun-off and not included in the acquisition.

Repayments of Notes Payable

During April 2021, $6,000,000 of notes payable, initially borrowed in March and August of 2020, were fully repaid.

During April 2021, the balance of the note payable related to a 2020 asset acquisition was fully repaid.

Lease Agreements

During August, 2021 and November, 2021, the Company commenced payments on two new leases for real property. The terms of the lease agreements were aggregate monthly lease payments of $22,800 to $27,189 per month with a term of 10 years and two five-year renewal options.

Acquisition of WIM Equity

During April 2021, the Company exercised its option to acquire all the outstanding equity of WIM for $1,000,000 which was previously held in escrow.

COLUMBIA CARE INC. AND GREEN LEAF MEDICAL, LLC.
INTRODUCTION TO UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

The following unaudited pro forma condensed combined statements of operations present information about Columbia Care Inc's (the "Company") historical consolidated statements of operations after giving effect to the acquisitions of Green Leaf Medical, LLC and Green Leaf Medical of Ohio II, LLC (the "GreenLeaf Acquisition") as further described in Note 1. The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2021 and the year ended December 31, 2020 for Green Leaf Medical, LLC give effect to the acquisition as if it had occurred on January 1, 2020. The unaudited pro forma condensed combined financial information is derived from and should be read in conjunction with:

- The Company's historical unaudited condensed consolidated statement of operations for the nine months ended September 30, 2021 included in this Form 10 filing;
- The Company's historical audited consolidated statement of operations for the fiscal year ended December 31, 2020, included in this Form 10 filing;
- Greenleaf's historical audited combined statement of operations for the fiscal year ended December 31, 2020, included in this Form 10 filing; and
- Greenleaf's historical unaudited condensed combined statement of operations for the period ended June 10, 2021.

The pro forma condensed combined statements of operations do not necessarily reflect what the combined company's results of operations would have been had the acquisition occurred on the date indicated. They also may not be useful in predicting the future financial condition and results of operations of the combined company. The actual results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The Greenleaf Acquisition was accounted for as a business combination using the acquisition method of accounting under the provisions of Accounting Standards Codification 805, Business Combinations ("ASC 805"), with the Company representing the accounting acquirer. The following unaudited pro forma condensed combined financial information primarily gives effect to:

- Application of the acquisition method of accounting in connection with the Greenleaf Acquisition; and
- Transaction costs incurred in connection with the Greenleaf Acquisition.

The unaudited pro forma statements of operations contain adjustments that are preliminary and may be revised. There can be no assurance that such revisions will not result in material changes to the information presented in the unaudited pro forma statements of operations. The assumptions underlying the pro forma adjustments are described in greater detail in the accompanying notes to the unaudited pro forma statements of operations.

COLUMBIA CARE INC. AND GREEN LEAF MEDICAL, LLC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

	For the nine months ended September 30, 2021				
	Columbia Care Inc.	Green Leaf Medical, LLC	Proforma Adjustments	Notes	Total
Revenues, net of discounts	$ 320,804	$ 51,926	$ (2,902)	(a)	$ 369,828
Cost of sales	(184,042)	(18,809)	2,902	(a)	(199,949)
Gross profit	136,762	33,117	—		169,879
Operating expenses:					
Selling, general and administrative	162,282	7,921	7,681	(b)	
			(830)	(c)	177,054
Total operating expenses	(162,282)	(7,921)	(6,851)		(177,054)
(Loss) Income from operations	(25,520)	25,196	(6,851)		(7,175)
Other expense:					
Change in fair value of derivative liability	6,760	—	—		6,760
Interest expense, net	(18,686)	(3,169)	—		(21,855)
Other expense, net	(55,375)	(2,449)	—		(57,824)
Total other expense	(67,301)	(5,618)	—		(72,919)
(Loss) Income before provision for income taxes	(92,821)	19,578	(6,851)		(80,094)
Income tax benefit (expense)	631	(8,431)	1,825	(d)	(5,975)
Net (loss) income and comprehensive (loss) income	(92,190)	11,147	(5,026)		(86,069)
Net loss attributable to non-controlling interests	(2,368)	—	—		(2,368)
Net (loss) income attributable to shareholders	$ (89,822)	$ 11,147	$ (5,026)		$ (83,701)
Weighted-average number of shares used in earnings per share - basic and diluted	311,446,922		41,415,126	(g)	352,862,048
Earnings attributable to shares (basic and diluted)	$ (0.29)				$ (0.24)

COLUMBIA CARE INC. AND GREEN LEAF MEDICAL, LLC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

	For the year ended December 31, 2020				
	Columbia Care Inc.	Green Leaf Medical, LLC	Proforma Adjustments	Notes	Total
Revenues, net of discounts	$ 179,503	$ 77,625	$ 4,476	(a)	$ 261,604
Cost of sales related to inventory production	(117,360)	(31,165)	(4,476)	(a)	(153,001)
Gross profit	62,143	46,460	—		108,603
Operating expenses:					
Selling, general and administrative	142,355	13,209	17,256	(b)	
			830	(c)	173,650
Total operating expenses	(142,355)	(13,209)	(18,086)		(173,650)
(Loss) Income from operations	(80,212)	33,251	(18,086)		(65,047)
Other expense:					
Change in fair value of derivative liability	(11,745)	—	—		(11,745)
Interest expense, net	(6,336)	(7,987)	—		(14,323)
Other expense, net	(37,553)	(30)	—		(37,583)
Total other expense	(55,634)	(8,017)	—		(63,651)
(Loss) Income before provision for income taxes	(135,846)	25,234	(18,086)		(128,698)
Income tax benefit (expense)	16,197	(11,817)	4,534	(d)	8,914
Net (loss) income and comprehensive (loss) income	(119,649)	13,417	(13,552)		(119,784)
Net (loss) income attributable to non-controlling interests	(23,862)	3,503	(3,503)	(e)	(23,862)
Net (loss) income attributable to shareholders	$ (95,787)	$ 9,914	$ (10,049)		$ (95,922)
Weighted-average number of shares used in earnings per share - basic and diluted	232,576,117		44,735,854	(f)	277,311,971
Earnings attributable to shares (basic and diluted)	$ (0.41)				$ (0.35)

COLUMBIA CARE INC. AND GREEN LEAF MEDICAL, LLC.
NOTES TO UNAUDITED PRO FORMA
CONDENSED COMBINED STATEMENTS OF OPERATIONS

Note 1 — Description of the Transaction

On June 11, 2021, the Company acquired (the "Green Leaf Transaction") a 100% ownership interest in Green Leaf Medical, LLC ("Green Leaf"). On July 7, 2021, the Company acquired ("the Green Leaf-Ohio Transaction") a residual 49% ownership interest (constituting 949,379 Common Shares) in Green Leaf Medical of Ohio II, LLC ("Green Leaf Ohio"). These acquisitions are together referred to as the Transaction in the Columbia Care Inc and Green Leaf Medical, LLC's unaudited pro forma condensed combined statements of operations.

Green Leaf was formed in April 2014 for the purpose of selling medicinal and recreational cannabis products in the states of Maryland, Pennsylvania, Ohio, and Virginia. Green Leaf owns and operates vertically integrated cultivation facilities, manufacturing facilities and retail dispensaries in the states of Maryland, Pennsylvania, Ohio, and Virginia. The Company executed the Green Leaf Transaction in order to continue to grow revenues; expand its cultivation facilities, manufacturing facilities and dispensaries; and enter, or expand in the Maryland, Pennsylvania, Ohio, and Virginia markets.

The following table summarizes the fair value of total consideration transferred and the fair value of each major class of consideration for Green Leaf:

Consideration transferred	
Closing Shares	$125,729
Cash consideration	62,796
Deferred stock payments	125,230
Total unadjusted purchase price	313,755
Working capital adjustment	(2,011)
Total adjusted purchase price	311,744
Less: Cash acquired	(30,779)
Total purchase price	$280,965

Equity purchase consideration comprised 44,735,854 Common Shares, net of working capital adjustments. The contingent consideration, payable in Common Shares of the Company, was estimated considering certain metrics as of the June 11, 2021 acquisition date, subject to the terms and conditions set forth in the Agreement and Plan of Merger entered into by the Company in connection with the Green Leaf Transaction. The fair value of the contingent consideration was estimated using a probability weighted expected return method. This fair value measurement was based on significant inputs that are not observable in the market, and represent a level 3 fair value measurement, including those relating to discount factors and probabilities of achievement of the related milestones. Discounts of 22.75% and 37.95% were applied to the August 15, 2022 and 2023 earn out cash flows, respectively, to derive an aggregate discounted probability-adjusted earn out. The Company then applied a discount for lack of marketability rate of 14% to arrive at the net fair value of contingent consideration. An estimated range of outcomes has been deemed indeterminable by the Company.

The following table shows the recognized amounts of identifiable assets acquired and liabilities assumed, less cash and cash equivalents acquired:

Purchase price allocation	
Assets acquired:	
Accounts receivable	$ 4,660
Inventory	13,659
Prepaid expenses and other current assets	31,687
Property and equipment	52,070
Right of use assets	1,876
Goodwill	164,004
Intangible assets	142,858
Accounts payable	(4,080)
Accrued expenses and other current liabilities	(22,597)
Note payable	(2,344)
Lease liabilities	(1,876)
Deferred tax liability	(36,791)
Other long-term liabilities	(62,161)
Consideration transferred	$280,965

The unaudited pro forma condensed combined financial information includes various assumptions, including those related to the preliminary purchase price allocation of the assets acquired and liabilities assumed of Greenleaf based on management's best estimates of fair value. The final purchase price allocation may vary based on final appraisals, valuations and analyses of the fair value of the acquired assets and assumed liabilities. Accordingly, the pro forma adjustments are preliminary and have been made solely for illustrative purposes.

The fair value of the acquired assets and liabilities are provisional pending receipt of the final valuations for those assets and liabilities.

The purchase price allocations for the Green Leaf Transaction reflect various fair value estimates and analyses relating to the determination of fair values of certain tangible and intangible assets and liabilities acquired and residual goodwill. The purchase price allocations for the Green Leaf Transaction reflect various fair value estimates and analyses, which are subject to change within the respective measurement periods. The Company expects to continue to obtain information to assist in determining the fair value of the net assets acquired during the measurement periods. Measurement period adjustments that the Company determines to be material will be applied retrospectively to the period of acquisition in the Company's condensed interim consolidated financial statements, and, depending on the nature of the adjustments, other periods subsequent to the period of acquisition could also be affected.

The Company determined the estimated fair value of the acquired working capital, and identifiable intangible assets and goodwill after review and consideration of relevant information including discounted cash flow analyses, market data and management's estimates, prepared by an independent valuation firm. The estimated fair value of acquired working capital was determined to approximate carrying value.

For leases acquired, the Company measured the lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The Company measured the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The goodwill arising from the Green Leaf Transaction consists of expected synergies from combining operations of the Company and Green Leaf, and intangible assets not qualifying for separate recognition such as formulations, proprietary technologies and acquired know-how. None of the goodwill is deductible for tax purposes.

Green Leaf's state licenses, trade name and wholesale customers represented identifiable intangible assets acquired in the amounts of $98,698, $27,985 and $16,175, respectively, which were determined to have definite useful lives of 10, 5 and 7 years respectively.

Note 2 — Basis of Pro Forma Presentation

The statements of operations of the Company and Greenleaf were prepared in accordance with U.S. generally accepted accounting principles. The unaudited pro forma condensed combined statements of operations reflect the estimated effects of the Transactions as if they had been completed on January 1, 2020.

The Greenleaf Acquisition will be accounted for as a business combination using the acquisition method of accounting under the provisions of ASC 805, with the Company representing the accounting acquirer. The pro forma adjustments are preliminary and are based upon available information and certain assumptions, which management believes are reasonable under the circumstances. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information. Under ASC 805, generally all assets acquired and liabilities assumed are recorded at their acquisition date fair value. For purposes of the pro forma information presented herein, the fair value of Greenleaf's identifiable tangible and intangible assets acquired and liabilities assumed are based on preliminary estimates of fair values. The excess of the Transaction Consideration over the fair value of identified tangible and intangible assets acquired and liabilities assumed will be recognized as goodwill. The unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of SEC Regulation S-X. The unaudited pro forma condensed combined financial information includes unaudited pro forma adjustments that are (i) directly attributable to the transaction, (ii) factually supportable and (iii) in respect of the unaudited pro forma condensed combined statements of income, expected to have a continuing impact on the consolidated results. The unaudited pro forma statements of operations do not give effect to any cost savings, operating synergies or revenue synergies that may result from the transaction or the costs to achieve any synergies.

Note 3 — Pro forma adjustments

The pro forma adjustments are based on our preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the unaudited pro forma condensed combined statements of operations:

(a) Reflects the elimination of intercompany revenue and cost of sales. The profit on these intercompany transactions is not material.

(b) Represents the net increase in intangible asset amortization expense of $7,681 and $17,256 for the nine months ended September 30, 2021 and the year ended December 31, 2020, respectively, based on the preliminary estimated fair values and weighted average useful lives for acquired state licenses, trade names and wholesale customers of 10, 5 and 7 years, respectively, in accordance with the Company's accounting policy.

(c) Reflects transaction costs incurred by Columbia Care in the year of acquisition. These costs will not affect the Company's income statement beyond 12 months after the acquisition date.

(d) Reflects the income tax effect of pro forma adjustments, as appropriate, using an estimated blended federal and state statutory tax rate of 25.5%.

(e) As the pro forma financial statements are prepared on the assumption that the Transaction occurred on January 1, 2020, there is no non-controlling interest during the entire year ended December 31, 2020.

(f) Represents the total number of shares that will be issued in connection with the Transaction.

(g) Represents the net increase in the weighted-average number of shares used in the calculation of earnings per share—basic and diluted as a result of the Transaction.

Exhibit 2.1

EXECUTION COPY

TRANSACTION AGREEMENT

by and between

CANACCORD GENUITY GROWTH CORP.

and

COLUMBIA CARE LLC

dated as of November 21, 2018

TABLE OF CONTENTS

SCHEDULES

TRANSACTION AGREEMENT

This **TRANSACTION AGREEMENT** (this "**Agreement**"), dated as of November 21, 2018, is entered into by and between Canaccord Genuity Growth Corp., a corporation existing under the laws of the Province of Ontario ("CGGC"), and Columbia Care LLC, a Delaware limited liability company ("**Col-Care**"). CGGC and Col-Care are each referred to herein as a "**Party**" and together as the "**Parties**."

RECITALS

WHEREAS CGGC and Col-Care each desire that CGGC shall acquire all of the Col-Care Ownership Interests (as defined below) upon the terms and subject to the conditions set forth in this Agreement by means of a merger of Col-Care with and into a to-be-formed Delaware limited liability company of which CGGC shall be the sole member ("**MergerSub**"), with MergerSub surviving the merger (the "**Col-Care Transaction**");

WHEREAS CGGC and Col-Care each acknowledges that the Col-Care Transaction is intended to constitute the "qualifying transaction" (as such term is defined in the Exchange Listing Manual and pertaining to special purpose acquisition corporations ("**SPACs**")) (a "**Qualifying Transaction**") of CGGC;

WHEREAS the CGGC Board (as defined below) has unanimously determined that the Col-Care Transaction is in the best interests of CGGC and fair to its shareholders, and has resolved to support the Col-Care Transaction and enter into this Agreement;

WHEREAS the Col-Care Board (as defined below) has unanimously determined that the Col-Care Transaction is in the best interests of Col-Care and fair to its members, and has resolved to support the Col-Care Transaction and enter into this Agreement;

WHEREAS the completion by CGGC of the Col-Care Transaction requires the approval by at least sixty-six and two-thirds percent (66 2/3%) of the votes cast in respect of the CGGC Transaction Resolutions and attached to CGGC Shares held by CGGC Shareholders present and voting either in person or by proxy at the CGGC Shareholder Meeting and, in each case, voting together as if they were holders of a single class of shares;

WHEREAS the completion by Col-Care of the Col-Care Transaction will require the affirmative vote, whether at a meeting or by a written consent, of the Col-Care Members holding greater than sixty percent (60%) of the outstanding Col-Care Common Units (as defined below);

WHEREAS each of the Sponsor and the directors and senior officers of CGGC who owns CGGC Shares has concurrently with the execution and delivery of this Agreement entered into a CGGC Support and Lock-Up Agreement with Col-Care; and

WHEREAS each of the directors, senior officers and certain Col-Care Members who owns Col-Care Common Units has concurrently with the execution and delivery of this Agreement entered into a Col-Care Support and Lock-Up Agreement with CGGC.

NOW, THEREFORE in consideration of the foregoing premises and the representations, warranties, covenants and agreements contained in this Agreement, and subject to the conditions set forth herein, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I

DEFINED TERMS

Section 1.01 **CERTAIN DEFINITIONS**. For purposes of this Agreement, including the Recitals:

"**Acquisition Proposal**" means, with respect to a Party, other than the transactions contemplated by this Agreement and any transaction or transactions involving only that Party or that Party and any Affiliate (or owner of an Affiliate) of that Party, any offer, proposal or inquiry (whether written or oral) from any Person or group of Persons or any Affiliate of any Person acting jointly or in concert after the date of this Agreement relating to: (a) any sale or disposition (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale), direct or indirect, of: (i) assets representing five percent (5%) or more of the consolidated assets of that Party or contributing five percent (5%) or more of the annual consolidated revenue of that Party (and in the case of Col-Care, including its Material Subsidiaries) or (ii) five percent (5%) or more of the voting or equity securities of that Party (or rights or interests in such voting or equity securities) (and in the case of Col-Care, including any of its Material Subsidiaries); (b) in the case of CGGC, a purchase, investment or other transaction that could reasonably be expected to constitute a "qualifying transaction" within the meaning ascribed to that term in the Exchange Listing Manual; (c) any take-over bid, exchange offer or other transaction that, if consummated, would result in such Person or group of Persons beneficially owning ten percent (10%) or more of any class of voting or equity securities of that Party (and in the case of Col-Care, including any of its Material Subsidiaries); (d) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or exclusive license involving that Party (and in the case of Col-Care, including its Material Subsidiaries); (e) any other similar transaction or series of transactions involving that Party (and in the case of Col-Care, including its Material Subsidiaries); or (f) a material financing transaction.

"**Affiliate**" has the meaning ascribed to such term in National Instrument 45-106 *Prospectus Exemptions*.

"**Aggregate Option Exercise Price**" means the sum of the cash exercise prices payable upon exercise of all Col-Care Options (whether vested or not), other than any Col-Care Option that, as of the Effective Time, will have lapsed, expired or been cancelled or for which notice of exercise prior to the Effective Time has been provided prior the date that is five (5) Business Days prior the anticipated Closing Date.

"**Agreement**" has the meaning set forth in the Preamble.

"**Agreement Date**" means the date of this Agreement.

"**Amendment**" has the meaning set forth in Section 6.03(f).

"**Associate**" has the meaning set forth in section 1(1) of the *Securities Act* (Ontario).

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Business Day**" means any day except a Saturday, a Sunday or any other day on which commercial banks are required or authorized to close in Toronto, Ontario, Canada or in the State of Massachusetts, United States of America.

"**Canaccord Genuity**" means Canaccord Genuity Corp. a corporation continued under the *Business Corporations Act* (Ontario).

"**CAP LLC**" means CC Capital Accumulation Plan LLC

"**Cash-Out Amount**" has the meaning set forth in Section 2.05(b)(iii).

"**Certificate of Merger**" has the meaning set forth in Section 2.01(b).

"**CGGC**" has the meaning set forth in the Preamble.

"**CGGC Board**" means the board of directors of CGGC, as constituted from time to time in accordance with the CGGC Constating Documents.

"**CGGC Board Recommendation**" has the meaning set forth in Section 2.03(b).

"**CGGC Circular**" means the notice of the CGGC Shareholder Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the CGGC Shareholders in connection with the CGGC Shareholder Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement and as required by applicable Law.

"**CGGC Class A Restricted Voting Units**" means the class A restricted voting units of CGGC, each consisting of one CGGC Class A Share and one CGGC Warrant.

"**CGGC Class A Shares**" means the class A restricted voting shares in the capital of CGGC.

"**CGGC Class B Shares**" means the class B shares in the capital of CGGC.

"**CGGC Class B Units**" means the class B units of CGGC, each consisting of one CGGC Class B Share and one CGGC Warrant.

"**CGGC Common Shares**" means the common shares in the capital of CGGC provided that following the Effective Time, the terms of the CGGC Common Shares shall be substantially similar to, and the Common Shares shall have substantially similar rights, as are set forth in "A" hereto.

"**CGGC Constating Documents**" means the Constating Documents of CGGC.

"**CGGC Filings**" means the filings made to the Canadian Securities Administrators by CGGC and posted on SEDAR in accordance with applicable Securities Laws.

"**CGGC Financial Statements**" has the meaning set forth in Section 4.12(a).

"**CGGC Material Contracts**" means the Contracts described as material contracts in the Final IPO Prospectus and the Subscription Receipt Agreement.

"**CGGC Related Party**" means the respective current officers, directors, promoters, partners or shareholders of CGGC.

"**CGGC Resolutions**" means the CGGC Transaction Resolutions and the resolutions of the CGGC Shareholders to be considered at the CGGC Shareholder Meeting (other than the CGGC Transaction Resolutions) (a) to approve the change in the name of CGGC to "Columbia Care Inc."; (b) to approve an advance notice by-law; and (c) to delete any reference to the CGGC Shares from the articles of CGGC following the Closing and the conversion of the CGGC Shares into Common Shares, together with resolutions to consider such other matters as may be contemplated herein or agreed to in writing by Col-Care acting reasonably or required by the Exchange and/or the CGGC Securities Authorities.

"**CGGC Retained Firms**" has the meaning set forth in Section 5.03.

"**CGGC Securities Authorities**" means, collectively, the Alberta Securities Commission, British Columbia Securities Commission, Manitoba Securities Commission, Financial and Consumer Services Commission of New Brunswick, Office of the Superintendent of Securities Service Newfoundland and Labrador, Office of the Superintendent of Securities of the Northwest Territories, Nova Scotia Securities Commission, Nunavut Securities Office, Ontario Securities Commission, Office of the Superintendent of Securities of Prince Edward Island, Financial and Consumer Affairs Authority of Saskatchewan and Office of the Yukon Superintendent of Securities.

"**CGGC Share Conversion**" has the meaning set forth in Section 7.01(h).

"**CGGC Shareholder Meeting**" means the special meeting of CGGC Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of this Agreement, to be called for the purpose of considering and, if thought fit, approving the CGGC Resolutions.

"**CGGC Shareholders**" means (a) prior to the Effective Time, the registered holders or beneficial owners, as the context requires, of the CGGC Shares; and (b) at and after the Effective Time, the registered holders and/or beneficial owners, as the context requires, of the Common Shares.

"**CGGC Shares**" means the CGGC Class A Shares and the CGGC Class B Shares.

"**CGGC Support and Lock-Up Agreement**" means the voting support and lock-up agreements dated the date hereof between Col-Care and a CGGC Shareholder pursuant to which such CGGC Shareholder agrees, among other things, to vote their CGGC Shares (a) in favour of the CGGC Resolutions and (b) against any resolution(s) inconsistent therewith.

"**CGGC Transaction Resolutions**" means the special resolution of the CGGC Shareholders to approve, among other things, the amendment of the terms of the Common Shares and the creation of the Proportionate Voting Shares and the amalgamation and consolidation described herein and the ordinary resolution of the CGGC Shareholders to approve the Col-Care Transaction and to be considered at the CGGC Shareholder Meeting.

"**CGGC Warrants**" means the share purchase warrants issued pursuant to the Warrant Agency Agreement to acquire Common Shares becoming exercisable commencing on the date which is sixty-five (65) days after the completion of the Qualifying Transaction of CGGC, at an exercise price of CDN$3.45 per share, subject to adjustment upon consolidation of the Common Shares, which form part of the CGGC Class A Restricted Voting Units and the CGGC Class B Units, respectively.

"**CGGI**" means Canaccord Genuity Growth Inc., a corporation existing under the laws of the Province of Ontario.

"**CGGI Amalgamation**" has the meaning set forth in Section 7.01(i).

"**CGGI Common Shares**" has the meaning set forth in Section 4.06(a).

"**Claim**" has the meaning set forth in Section 9.14.

"**Closing**" has the meaning set forth in Section 2.01(d).

"**Closing Col-Care Merger Consideration**" means the sum of (i) US$1,350,000,000, plus (ii) the Aggregate Option Exercise Price, less (iii) the sum of all Cash-Out Amount payments, plus (iv) the aggregate fair market value of any consideration, including any interests in any Subsidiary of Col-Care, received by Col-Care in exchange for any Col-Care Common Units in respect of any such exchange that has occurred following the date hereof and prior the Effective Time.

"**Closing Date**" has the meaning set forth in Section 2.01(d).

"**Closing Per Common Unit Merger Consideration**" means the amount a holder of one Common Unit would be entitled to receive under the Operating Agreement upon a distribution on a Fully Diluted Basis of the Closing Col-Care Merger Consideration.

"**Closing Per Profits Interest Unit Merger Consideration**" means with respect to each Profits Interest Unit the amount a holder of such Profits Interest Unit would be entitled to receive under the Operating Agreement upon a distribution on a Fully-Diluted Basis of the Closing Col-Care Merger Consideration.

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**Col-Care**" has the meaning set forth in the Preamble.

"**Col-Care Board**" means the managers and the board of directors of Col-Care, as constituted from time to time in accordance with the Col-Care Constating Documents.

"**Col-Care Business**" means the conduct, directly or indirectly, of one or more of the following activities: (a) the ownership, operation and/or management of any state-licensed cannabis or industrial hemp cultivation, manufacturing, production or distribution facilities, dispensaries or related businesses; (b) the development, manufacture, production, distribution and/or sale of any delivery, use or similar technology, in each case, relating to cannabis, including industrial hemp; and (c) the engagement in industrial and/or agricultural research and/or the development of any proprietary products or intellectual property, in each case, relating to cannabis, including industrial hemp.

"**Col-Care Common Units**" means the units of interest in Col-Care having the rights and obligations specified in, or otherwise applicable under, the Operating Agreement with respect to a Common Unit (as defined in the Operating Agreement).

"**Col-Care Constating Documents**" means the certificate of formation in respect of Col-Care dated January 29, 2013, and the Operating Agreement.

"**Col-Care Disclosure Schedule**" means the Col-Care disclosure schedule delivered by Col-Care to CGGC on the Agreement Date.

"**Col-Care Excluded Option**" means any Col-Care Option having an exercise price equal to the fair market value of the Col-Care Common Units issuable upon exercise of such Col-Care Option, including any such Col-Care Option arising from or attributable to a tag-along, conversion or similar right of any minority equity owner of a Subsidiary of Col-Care.

"**Col-Care Financial Statements**" means, the audited annual financial statements of Col-Care for the financial years ended December 31 2016 and 2017 and the unaudited financial statements of Col-Care for the nine month period ending September 30, 2018.

"**Col-Care Group**" means Col-Care and each of its Material Subsidiaries.

"**Col-Care Member Approval**" means the affirmative vote, whether at a meeting or by written consents by holders of greater than sixty percent (60%) of the outstanding Col-Care Common Units in respect of the Col-Care Transaction Resolution.

"**Col-Care Members**" means the holders of Col-Care Ownership Interests, from time to time, registered as such in the register of owners of Col-Care.

"**Col-Care Options**" means all outstanding options and warrants issued by Col-Care, and any tag-along, conversion or similar right granted by any Subsidiary of Col-Care, to acquire Col-Care Common Units, excluding any Col-Care Excluded Options.

"**Col-Care Ownership Interests**" means, collectively, the Col-Care Common Units and the Profits Interest Units.

"**Col-Care Related Party**" means the respective current officers, directors, partners or shareholders of each of Col-Care and any of its Subsidiaries.

"**Col-Care Retained Firms**" has the meaning set forth in Section 5.03.

"**Col-Care Support and Lock-Up Agreements**" means the voting support and lock-up agreements entered into between CGGC and each of the parties set forth in Section 1.01 of the Col-Care Disclosure Schedule, which such persons shall include each of the officers and directors of Col-Care and the holders of five percent (5%) or more of the issued and outstanding Col-Care Common Units.

"**Col-Care Transaction**" has the meaning set forth in the Recitals.

"**Col-Care Transaction-Related Matters**" has the meaning set forth in Section 5.03.

"**Col-Care Transaction Resolution**" means the written consents of the Col-Care Members, or the resolution(s) of the Col-Care Members at a Meeting, to approve the Col-Care Transaction.

"**Common Share**" shall have the meaning to be given that term in the Constating Documents of CGGC; provided that, immediately prior to the Effective Time, such term shall be substantially similar to and have substantially similar rights in such Constating Documents as are set forth in Schedule "A", attached hereto.

"**Confidentiality Agreement**" has the meaning set forth in Section 6.01.

"**Constating Documents**" means memorandum of association, memorandum of continuance or articles of incorporation, amalgamation, or continuation, by-laws, constitution, operating agreement, limited liability company agreement or certificate of formation, as applicable, and all amendments to such memorandum of association, memorandum of continuance or articles, by-laws, constitution, operating agreement, limited liability company agreement or certificate.

"**Contract**" means any contract, lease, guarantee, permit, authorization, indenture, note, bond, mortgage, franchise or other agreement or instrument, commitment, obligation or binding arrangement with respect to which there are continuing rights, liabilities or obligations, whether oral or in writing.

"**Control**" (including the terms "controlled by" and "under common control with"), unless otherwise specified herein, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of share capital or other Equity Interests, as trustee or executor, by Contract or otherwise.

"**Cormark**" means Cormark Securities Inc.

"**Corporate Records**" has the meaning set forth in Section 3.11.

"**Default Reorganization**" has the meaning set forth in Section 6.03(a).

"**DLLCA**" means the Delaware Limited Liability Company Act, as amended.

"**DOJ**" has the meaning set forth in Section 6.02(c).

"**Effective Time**" has the meaning set forth in Section 2.01(b).

"**Employee Plan**" means all material employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, pension, retirement, stock option, phantom stock, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, programs, arrangements or practices relating to the current or former directors, officers or employees of Col-Care or its Subsidiaries maintained, sponsored or funded by Col-Care or its Subsidiaries, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered under which Col-Care or its Subsidiaries may have any liability, contingent or otherwise, other than benefit plans established pursuant to statute.

"**Enhanced Reorganization**" has the meaning set forth in Section 6.03(b).

"**Environmental Law**" means any applicable Law relating to pollution or protection of the environment or natural resources or human exposure to Hazardous Materials.

"**Equity Interest**" means any share, capital stock or partnership, limited liability company, membership, member or similar interest in any Person and any option, warrant, right or security (including debt securities) convertible, exchangeable or exercisable thereinto or therefor.

"**Escrow Account**" means the escrow account of CGGC established and maintained by the Escrow Agent, which holds in escrow the gross proceeds of the initial public offering of the CGGC Class A Restricted Voting Units, including the gross proceeds of the over-allotment option.

"**Escrow Agent**" means Odyssey Trust Company, in its capacity as escrow agent, under the Escrow Agreement, and its successors and permitted assigns.

"**Escrow Agreement**" means the escrow agreement dated September 20, 2018, among CGGC, the Escrow Agent, Canaccord Genuity and Cormark.

"**Exchange**" means the Aequitas NEO Exchange Inc.

"**Exchange Listing Manual**" means the Aequitas Neo Exchange Inc. Listing Manual.

"**Exchange Ratio**" shall mean the rate at which Proportionate Voting Shares convert with and into Common Shares under the CGGC Constating Documents.

"**Expenses**" means all fees and expenses incurred by CGGC in connection with the Col-Care Transaction, excluding fees and expenses associated with the Private Placement.

"**FCPA**" has the meaning set forth in Section 3.37.

"**Final IPO Prospectus**" means the final long-form prospectus of CGGC dated September 13, 2018, in connection with its initial public offering of CGGC Class A Restricted Voting Units.

"**Foreign Private Issuer**" has the same meaning as is given to the term "foreign private issuer" under Rule 405 of the Securities Act.

"**Founders**" means, collectively, CG Investments Inc., as the sponsor of CGGC, Kent Farrell, Neil Maruoka and James Merkur.

"**Founders' Shares**" means the 4,046,458 CGGC Class B Shares originally purchased by the Founders prior to but in connection with the initial public offering of CGGC.

"**FTC**" has the meaning set forth in Section 6.02(c).

"**Fully Diluted Basis**" means, as of any date of determination, the sum of (i) the aggregate number of Common Units issued and outstanding immediately prior to the Effective Time, plus (ii) the aggregate number of Profits Interest Units issued and outstanding immediately prior to the Effective Time, plus (iii) the aggregate number of Common Units issuable upon the exercise in full of all Col-Care Options that are in-the-money and that are issued and outstanding immediately prior to the Effective Time (whether vested or not).

"**Governmental Authority**" means any: (a) country, nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, provincial, local, municipal, foreign or other government; (c) governmental authority of any nature (including any governmental division, department, agency, commission, instrumentality, organization, body or entity and any court or other tribunal), including, for greater certainty, a Securities Authority; (d) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; (e) applicable stock exchange; or (f) applicable self-regulatory organization.

"**Governmental Authorization**" means any consent, approval, permit, license, certificate, franchise, permission, variance, waiver, clearance, registration, qualification or authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Law.

"**Hazardous Materials**" means any materials or wastes that are listed or defined in relevant form, quantity, concentration or condition as hazardous substances, hazardous wastes, hazardous materials, extremely hazardous substances, toxic substances, pollutants, contaminants or terms of similar import under any applicable Law.

"**HSR**" has the meaning set forth in Section 6.02(c).

"**IFRS**" means International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB), together with its pronouncements thereon from time to time, and applied on a consistent basis.

"**Intellectual Property**" means (a) computer software, (b) all trademarks, service marks, internet domain names and trade names, registrations and applications for registration of the foregoing, and the goodwill associated therewith and symbolized thereby, (c) patents and patent applications, (d) confidential and proprietary information, including trade secrets and know-how, and (e) copyrights and registrations and applications for registration of the foregoing

"**Interim Period**" has the meaning set forth in Section 5.01(a).

"**IPO Underwriters**" means Canaccord Genuity and Cormark.

"**IRS**" means the United States Internal Revenue Service.

"**Knowledge**" means with respect to Col-Care, the actual knowledge, after making reasonable inquiries regarding the relevant matter, of the individuals set forth in Section 1.01 of the Col-Care Disclosure Schedule, and with respect to CGGC, the actual knowledge, after making reasonable inquiries regarding the relevant matter, of Michael Shuh and Daniel Chung.

"**Law**" means any federal, state, local, municipal, provincial, foreign or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, consent order, consent decree, decree, Order, judgment, rule, regulation, ruling, directive, regulatory guidance, agreement or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or with or under the authority of any Governmental Authority.

"**Leased Properties**" means the lands and premises leased by Col-Care and its Subsidiaries.

"**Liens**" means any lien, pledge, hypothecation, charge, mortgage, security interest, claim, option, right of first refusal, preemptive right, or community property interest or any restriction (except those contained in the applicable articles) on the voting of any security or the transfer of any security or asset, but excluding Intellectual Property licenses.

"**Lock-up Agreements**" means, collectively, the CGGC Support and Lock-Up Agreements and the Col-Care Support and Lock-Up Agreements.

"**Material Adverse Effect**" when used in connection with a Party means any change, event, occurrence, effect, state of facts or circumstance that, either individually or in the aggregate, is or would reasonably be expected to be material and adverse to the business, financial condition or results of operations of that Party and its Subsidiaries, taken as a whole, or would be reasonably expected to, prevent or materially delay that Party from consummating the transactions contemplated by this Agreement by the Outside Date, other than changes, events, occurrences, states of fact, effects, or circumstances that arise from or in connection with: (a) general political, economic, financial, currency exchange, securities, capital or credit market conditions in Canada or the United States; (b) any act of terrorism, war (whether or not declared), armed hostilities, riots, insurrection, civil disorder, military conflicts or other armed conflict, in each case, whether occurring within or outside of Canada or the United States; (c) any climatic or other natural events or conditions (including drought, and other weather conditions and any natural disaster); (d) any change or proposed change in Law (including taxation laws), IFRS, U.S. GAAP or accounting rules or the interpretation thereof applicable to the industries or markets in which either Party operates; (e) any change affecting the industries or markets in which such Party operates; (f) the announcement of the execution of this Agreement or the pending consummation of this Agreement, the Col-Care Transaction or other transactions contemplated by this Agreement; and (g) compliance with the terms of, and the taking of any action required by, this Agreement or the Col-Care Transaction, or the taking or not taking of any action at the request of, or with the consent of, the other Party.

"**Material Contract**" has the meaning set forth in Section 3.22(h) hereof.

"**Material Subsidiary**" has the meaning set forth in Section 1.01 of the Col-Care Disclosure Schedule.

"**Misrepresentation**" means an untrue statement of a material fact or an omission to state a material fact required or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

"**Money Laundering Laws**" has the meaning set forth in Section 3.42(a) hereof.

"**Non-U.S. Person**" shall mean a Person other than a U.S. Person.

"**Non-Voting Shares**" means the non-voting common shares in the capital of CGGI issuable pursuant to the Subscription Receipts and which, upon the amalgamation of CGGI and CGGC, shall be exchanged for Common Shares on a one-for-one basis.

"**Operating Agreement**" means the Third Amended and Restated Operating Agreement of Col-Care dated as of June 1, 2017 and as amended in connection with the Col-Care Transaction.

"**Order**" means any order, writ, assessment, decision, injunction, decree, judgment, ruling, award, settlement or stipulation issued, promulgated or entered into by or with any Governmental Authority.

"**Ordinary Course**" means, with respect to an action taken by a Party, that such action (a) is consistent with the past practices of such Party and (b) is taken in the ordinary course of the operations of the business of such Party (in the case of Col-Care, it being understood that the Col-Care Group is engaged in the Col-Care Business in the ordinary course).

"**OSC**" means the Ontario Securities Commission.

"**Outside Date**" has the meaning set forth in Section 8.02(b)(i).

"**Party**" has the meaning set forth in the Preamble.

"**PDF**" means portable document format.

"**Permitted Liens**" means each of the following: (i) statutory liens for current Taxes which are not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings by a Party and its Subsidiaries, (ii) carriers', warehousemen's, mechanics', landlords', materialmen's, repairmen's or other similar statutory Liens arising in the Ordinary Course, (iii) Liens consisting of pledges or deposits required in the Ordinary Course of business in connection with workers' compensation, unemployment insurance and other social security legislation or to secure liability to insurance carriers, (iv) any interest or title of a lessor or sublessor (or licensor or sublicensor), as lessor or sublessor, under any lease (or license) and any precautionary uniform commercial code financing statements filed under any lease that do not materially detract from the value of or interfere with a Party's and its Subsidiaries' present uses or occupancy of such property, (v) easements, rights of way and liens or restrictions on use that are imposed by law relating to zoning, building or land use, (vi) purchase money security interests and any Lien securing obligations reflected in the financial statements of a Party, and (vii) any other non-monetary encumbrance that does not materially detract from the value of or materially interfere with a Party's and its Subsidiaries' present uses or occupancy of their respective assets..

"**Person**" means an individual, company (including not-for-profit company), corporation (including a not-for-profit corporation), body corporate, general or limited partnership, limited liability partnership, limited liability company, unlimited liability corporation, joint venture, trust, estate, association, trustee, executor, administrator, legal representative, Governmental Authority, unincorporated organization or other entity of any kind or nature.

"**Private Placement**" means the private placement of the Subscription Receipts by CGGI completed on November 1, 2018, yielding aggregate gross proceeds of US$85,100,000.

"**Proceeding**" means any action, suit, claim (or counterclaim), cause of action, charge, complaint, litigation, arbitration, mediation, grievance, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, audit, examination or investigation commenced, brought, conducted or heard by or before any court or other Governmental Authority or any arbitrator or arbitration or mediation panel, or any administrative or supervisory action taken by a Governmental Authority.

"**Profits Interest Units**" means the units of interest in Col-Care having the rights and obligations specified in, or otherwise applicable under, the Operating Agreement with respect to a Profits Interest Unit (as defined in the Operating Agreement).

"**Proportionate Voting Shares**" shall have the meaning to be given that term in the Constating Documents of CGGC; provided, that such term shall be substantially similar to and have substantially similar rights in such Constating Documents as are set forth in Schedule "A", attached hereto.

"**Prospectus**" means the preliminary prospectus and/or final prospectus of CGGC, and any amendment thereto, as the context requires, containing disclosure regarding, among other things, Col-Care and the completion of the Col-Care Transaction (and any related matters), as the Qualifying Transaction of CGGC.

"**Qualified Investor**" means a Col-Care Member or holder of a Col-Care Option, as applicable, that either (a) qualifies as an accredited investor, as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act, as mutually determined by CGGC and Col-Care in their reasonable discretion, or (b) otherwise may receive Proportionate Voting Shares in the Col-Care Transaction pursuant to an available exemption from the registration requirements of the Securities Act as mutually determined by CGGC and Col-Care in their reasonable discretion, including pursuant to Rule 701 of the Securities Act.

"**Qualifying Transaction**" has the meaning set forth in the Recitals.

"**Recitals**" means the recitals to this Agreement.

"**Reorganization**" has the meaning set forth in Section 6.03(c).

"**Reorganizing Party**" has the meaning set forth in Section 6.03(a).

"**Replacement Option**" means, with respect to any Col-Care Option, an option or warrant that is economically equivalent to such Col-Care Option.

"**Representative**" means, with respect to any Person, any Subsidiary of such Person and such Person's and each of its respective Subsidiaries' directors, officers, employees, investment bankers, financial advisors, attorneys, accountants or other advisors, agents or representatives.

"**Restraints**" has the meaning set forth in Section 7.01(f).

"**Rights Amendment**" has the meaning set forth in Section 3.42(b).

"**Sanctioned Country**" has the meaning set forth in Section 3.42(b).

"**Sanctioned Person**" has the meaning set forth in Section 3.42(b).

"**Sanctions**" has the meaning set forth in Section 3.42(b).

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Securities Authority**" means the Ontario Securities Commission and any other applicable securities commission or securities regulatory authority of any province or territory of Canada or the United Sates, including the United States Securities and Exchange Commission.

"**Securities Laws**" means the *Securities Act* (Ontario) and all the securities laws of each province and territory of Canada, except Quebec, and the rules, regulations and policies of the Exchange.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval administered by the Canadian Securities Administrators.

"**SPACs**" has the meaning set forth in the Recitals.

"**Sponsor**" has the meaning set forth in the Final IPO Prospectus.

"**SRA Contribution and Exchange**" has the meaning set forth in Section 2.07(a)(iii).

"**Subscription Receipt Agent**" means Odyssey Trust Company, in its capacity as subscription receipt agent under the Subscription Receipt Agreement, and its successors and its permitted assigns.

"**Subscription Receipt Agreement**" means the subscription receipt agreement dated as of November 1, 2018, between CGGI, CGGC, Canaccord Genuity, Cormark and the Subscription Receipt Agent.

"**Subscription Receipts**" means the subscription receipts authorized, created and issued under the Subscription Receipt Agreement automatically exchangeable for Non-Voting Shares on a one-for-one basis.

"**Subsidiary**" of any Person means another Person, (a) an amount of the voting securities, other voting rights or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, more than 50% of the Equity Interests of which) is owned directly or indirectly by such first Person or (b) which is otherwise controlled directly or indirectly by such first Person.

"**Surviving Company**" has the meaning set forth in Section 2.01(a).

"**Target Amount**" means an amount equal to US$110,900,000, less any amounts paid pursuant to the redemption of any CGGC Shares on or prior to the Effective Time.

"**Tax**" or "**Taxes**" means all: (a) taxes, charges, withholdings, fees, levies, imposts, duties and governmental fees or other like assessments or charges of any kind whatsoever in the nature of taxes imposed by any Governmental Authority responsible for the administration of Taxes (including those related to income, net income, gross income, receipts, capital, windfall profit, severance, property (real and personal), production, sales, goods and services, use, business and occupation, license, excise, registration, franchise, employment, payroll (including social security contributions), deductions at source, withholding, alternative or add-on minimum, intangibles, ad valorem, transfer, gains, stamp, customs, duties, estimated, transaction, title, capital, paid-up capital, profits, premium, value added, recording, inventory and

merchandise, business privilege, federal highway use, commercial rent or environmental tax); (b) interest, penalties, fines, additions to tax or additional amounts imposed by any Governmental Authority (i) in connection with any item described in clause (a) or (ii) as a result of the failure to timely and accurately file any Tax Return; and (c) liabilities of any other Person for any items described in clause (a) and/or (b) payable by reason of transferee or successor liability to any party.

"**Tax Return**" means any return (including any information return), report, statement, declaration, estimate, schedule, notice, notification, form, election, certificate or other document or information required to be filed with or submitted to any Governmental Authority responsible for the administration of Taxes, including any amendment thereto.

"**Treasury Regulations**" means the regulations promulgated under the Code, as the same may be amended or supplemented from time to time.

"**U.S. Cannabis Laws**" has the meaning set forth in Section 3.14.

"**U.S. GAAP**" means United Stated generally accepted accounting principles applied on a consistent basis throughout the relevant periods.

"**U.S. Person**" shall have the meaning given that term in Rule 902 of Regulation S, promulgated under the Securities Act.

"**Warrant Agency Agreement**" means the warrant agency agreement dated September 20, 2018, between CGGC and the Warrant Agent providing for the creation and issuance of CGGC Warrants.

"**Warrant Agent**" means Odyssey Trust Company in its capacity as warrant agent under the Warrant Agency Agreement, and its successors and permitted assigns.

Section 1.02 **INTERPRETATION**.

(a) When a reference is made in this Agreement to an Article, Section or Schedule, such reference shall be to an Article or Section of, or a Schedule to, this Agreement unless otherwise indicated.

(b) The table of contents, headings and index of defined terms contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(c) Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The word "will" shall be construed to have the same meaning and effect of the word "shall." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if."

(d) The Parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.

(e) References to a Person are also to its successors and permitted assigns. All terms defined in this Agreement shall have the respective defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(f) The definitions contained in this Agreement are applicable to the singular as well as the plural form of such terms and any gender form of such term.

(g) Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein.

(h) The Schedules to this Agreement, including the Col-Care Disclosure Schedule, are hereby incorporated and made a part hereof and are an integral part of this Agreement. Any matter set forth in any section of the Col-Care Disclosure Schedule shall be deemed to be referred to and incorporated in any section to which it is specifically referenced or cross-referenced and also in all other sections of the Col-Care Disclosure Schedule to which such matter's application or relevance is reasonably apparent. Any capitalized term used in any Schedule or, the Col-Care Disclosure Schedule but not otherwise defined therein shall have the meaning given to such term herein.

(i) Where used with respect to information, the phrases "delivered" or "made available" shall mean that the information referred to has been physically or electronically delivered to the relevant Party or its respective Representative and, in the case of being "made available" to CGGC, material that has been posted in the electronic data room hosted by Venue by Donnelly Financial Solutions maintained by or on behalf of Col-Care in connection with the transactions contemplated by this Agreement.

(j) A period of time is to be computed as beginning on the day following the event that began the period and ending at 11:59 p.m. (Toronto time) on the last day of the period, if the last day of the period is a Business Day, or at 11:59 p.m. (Toronto time) on the next Business Day if the last day of the period is not a Business Day.

(k) All dollar amounts referred to in this Agreement are stated in Canadian Dollars unless otherwise specified.

ARTICLE II

TRANSACTION

Section 2.01 **TRANSACTION**. The Parties agree that:

(a) The Col-Care Transaction. Subject to the terms and conditions of this Agreement and in accordance with the DLLCA, at the Effective Time, Col-Care and MergerSub shall consummate the Col-Care Transaction through a merger pursuant to which (i) Col-Care shall be merged with and into MergerSub and the separate corporate existence of Col-Care shall thereupon cease, and (ii) the MergerSub shall be the surviving entity in the Col-Care Transaction (the "**Surviving Company**") and shall continue to be governed by the laws of the State of Delaware. The Col-Care Transaction shall have the effects specified in the DLLCA.

(b) Effective Time. On the Closing Date, MergerSub and Col-Care shall duly execute a certificate of merger in the form attached hereto **as Schedule "B"** (the "**Certificate of Merger**") and file such Certificate of Merger with the Secretary of State of the State of Delaware in accordance with the DLLCA. The Col-Care Transaction shall become effective at such time as the Certificate of Merger, accompanied by payment of the filing fee (as provided in the DLLCA), has been examined by and received the endorsed approval of the Secretary of State of the State of Delaware or at such other time set forth in the Certificate of Merger as mutually agreed by Col-Care and CGGC (the "**Effective Time**").

(c) Certificate of Formation and Operating Agreement. As of the Effective Time, by virtue of the Col-Care Transaction and without any action on the part of MergerSub, Col-Care or any other Person being required, the certificate of formation and limited liability company agreement of MergerSub shall be the certificate of formation and limited liability company agreement of the Surviving Company until thereafter amended as provided by Law and the terms of such certificate of formation and limited liability company agreement, as applicable; provided, however, the name of the Surviving Company shall be "Columbia Care LLC."

(d) Closing. The closing of the Col-Care Transaction (the "**Closing**") shall occur on the fifth Business Day following the date on which the conditions set forth in Section 7.01, Section 7.02 and Section 7.03 have been satisfied or waived (other than conditions that are to be satisfied by actions at the Closing), or such other date as the Parties may agree to in writing. The date on which the Closing occurs pursuant to the foregoing sentence is referred to in this Agreement as the "**Closing Date**."

(e) Managers and Officers. The managers and officers of MergerSub immediately prior to the Effective Time shall be the managers and officers of the Surviving Company, each to hold office in accordance with the certificate of formation and limited liability company agreement of the Surviving Company until their respective successors are duly appointed or elected and qualified or until their respective earlier death, resignation or removal, as the case may be.

Section 2.02 **THE CGGC SHAREHOLDER MEETING**. Subject to the terms of this Agreement, CGGC shall:

(a) convene and conduct the CGGC Shareholder Meeting in accordance with the CGGC Constating Documents and applicable Law on or before March 22, 2019, for the purpose of considering the CGGC Resolutions, and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the CGGC Shareholder Meeting without the prior written consent of Col-Care (which consent will not be unreasonably withheld or delayed), except in the case of an adjournment or postponement as required by applicable Law or for quorum purposes;

(b) solicit proxies (without being obliged to engage a proxy solicitation agent) in favour of the approval of the CGGC Resolutions and against any resolution inconsistent with the CGGC Resolutions;

(c) consult with Col-Care in fixing the date of the CGGC Shareholder Meeting and the record date for purposes of notice thereof and voting there at, give notice to Col-Care of the CGGC Shareholder Meeting and allow Col-Care's Representatives to attend the CGGC Shareholder Meeting;

(d) promptly advise Col-Care at such times as Col-Care may reasonably request and at least on a daily basis on each of the last ten (10) Business Days prior to the date of the CGGC Shareholder Meeting, as to the tally of the proxies and other voting documentation received by CGGC in respect of the CGGC Resolutions and other matters to be voted upon at the CGGC Shareholder Meeting and the numbers of notices of redemption of CGGC Class A Restricted Voting Units by on or behalf of the holders thereof; and

(e) not change the record date for the CGGC Shareholders entitled to notice of or to vote at the CGGC Shareholder Meeting in connection with any adjournment or postponement of the CGGC Shareholder Meeting, or change any other matters in connection with the CGGC Shareholder Meeting unless required by Law or consented to in writing by Col-Care (which consent will not be unreasonably withheld or delayed).

Section 2.03 **THE CGGC CIRCULAR**

(a) CGGC shall, as promptly as reasonably practicable, prepare and complete, in consultation with Col-Care, the CGGC Circular together with any other documents required by Law in connection with the CGGC Shareholder Meeting and the Col-Care Transaction, and CGGC shall, subject to obtaining Exchange approval and receipts for its final Prospectus from the CGGC Securities Authorities, cause the CGGC Circular and such other documents to be filed with the CGGC Securities Authorities and sent to each CGGC Shareholder and other Persons as required by applicable Law, in each case so as to permit the CGGC Shareholder Meeting to be held by the date determined pursuant to Section 2.02(a).

(b) CGGC shall ensure that the CGGC Circular complies in all material respects with applicable Law, does not contain any Misrepresentation (except that CGGC shall not be responsible for any information relating to Col-Care and its Subsidiaries, or its business and affairs that is contained in the CGGC Circular and that was approved for inclusion therein by Col-Care, acting reasonably) and provides CGGC Shareholders with sufficient information to permit them to form a reasoned judgment concerning the matters to be placed before the CGGC Shareholder Meeting. Without limiting the generality of the foregoing, the CGGC Circular must include a statement that the CGGC Board has unanimously determined that the CGGC Resolutions are in the best interests of CGGC and fair to the CGGC Shareholders and recommends that the CGGC Shareholders vote in favour of the CGGC Resolutions (the "**CGGC Board Recommendation**") and must include a statement that the Sponsor and each director and senior officer of CGGC will vote all their CGGC Shares in favour of the CGGC Resolutions, and against any resolution that is inconsistent therewith, and will not be redeeming any of their CGGC Shares.

(c) CGGC shall give Col-Care and its auditors and legal counsel a reasonable opportunity to review and comment on drafts of the CGGC Circular and other related documents, and shall give reasonable consideration to any comments made by Col-Care and its auditors and counsel, and agrees that all information relating to Col-Care included in the CGGC Circular must be in a form and content satisfactory to Col-Care, acting reasonably.

(d) Col-Care shall provide to CGGC in writing all necessary information concerning Col-Care that is required by Law to be included by CGGC in the CGGC Circular or other related documents, use reasonable commercial efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the CGGC Circular and to the identification in the CGGC Circular of each such advisor, and shall ensure that such information does not contain any Misrepresentation concerning Col-Care.

(e) Each Party shall promptly notify the other Party if it becomes aware that the CGGC Circular contains a Misrepresentation or otherwise requires an amendment or supplement. The Parties shall cooperate in the preparation of any such amendment or supplement as required or appropriate, and CGGC shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to the CGGC Shareholders and file the same with the CGGC Securities Authorities or any other Governmental Authority as required.

Section 2.04 **THE PROSPECTUS.**

(a) CGGC shall, in consultation with Col-Care and its advisors, as promptly as reasonably practicable, prepare and file the Prospectus with the Exchange and the OSC and the CGGC Securities Authorities, in accordance with the Exchange Listing Manual (pertaining to SPACs) as reflected in the

Final IPO Prospectus. Col-Care further agrees to provide such assistance as may be reasonably required in connection with the preparation of the Prospectus, and CGGC agrees that all information relating to Col-Care or its Subsidiaries in the Prospectus, including the financial statements referred to in Section 2.04(b), must be in a form and content satisfactory to Col-Care, acting reasonably.

(b) Col-Care shall provide CGGC and its auditor access to and the opportunity to review all financial statements and financial information of Col-Care that is required in connection with the preparation of the Prospectus (including the Col-Care Financial Statements). Col-Care hereby: (i) consents to the inclusion of any such financial statements in the Prospectus, and (ii) agrees to provide appropriate signatures where required and to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial or other expert information required to be included in the Prospectus. Col-Care further agrees to provide such financial information and assistance as may be reasonably required in connection with any pre-filing or exemptive relief application in respect of disclosure in the Prospectus and in connection with the preparation of any pro-forma financial statements for inclusion in the Prospectus.

(c) The Parties shall cooperate with one another in connection with the preparation and filing of the Prospectus and shall use their commercially reasonable efforts to obtain the approval of the Exchange and a receipt for CGGC's final Prospectus from the CGGC Securities Authorities, including providing or submitting on a timely basis all documentation and information that is reasonably required or advisable in connection with obtaining such approvals. Upon the reasonable request of CGGC, Col-Care shall cause its directors and executive officers who are required or requested by a Governmental Authority to deliver personal information forms under the rules of the Exchange and/or Securities Laws to complete and deliver such forms in a timely manner.

(d) The Parties shall jointly seek to ensure that the Prospectus complies in all material respects with applicable Law, does not contain any Misrepresentation (except that CGGC shall not be responsible for any information or financial statements relating to Col-Care or its Subsidiaries that was approved for inclusion therein by Col-Care, acting reasonably), and is in a form satisfactory to the Exchange and to the CGGC Securities Authorities in order to obtain a receipt from the CGGC Securities Authorities in respect thereof.

(e) CGGC shall give Col-Care and its auditors and legal counsel a reasonable opportunity to review and comment on drafts of the Prospectus and other related documents, and shall give reasonable consideration to any comments made by Col-Care and its auditors and legal counsel and agrees that all information relating to Col-Care included in the Prospectus must be in a form and content satisfactory to Col-Care, acting reasonably, and shall, subject to obtaining Exchange clearance and receipt of CGGC's final Prospectus from the CGGC Securities Authorities, cause the Prospectus to be filed on SEDAR (and sent to each CGGC Shareholder) as required by applicable Law.

Section 2.05 **CLOSING MECHANICS**. Upon the terms and subject to the conditions of this Agreement, as of the Effective Time, by virtue of the Col-Care Transaction and without any action on the part of any Col-Care Member or any holders of any limited liability company interests of MergerSub:

(a) LLC Interests of MergerSub. Each of the issued and outstanding units of ownership of MergerSub immediately prior to the Effective Time shall, by virtue of the Col-Care Transaction and without any action on the part of the holder thereof, remain outstanding as one unit of ownership of the Surviving Company following the Col-Care Transaction, and, other than as set forth in Section 2.05(d), such interests shall constitute the only outstanding limited liability company interests of the Surviving Company.

(b) Conversion of Col-Care Common Units and Profits Interest Units. Each Col-Care Common Unit and each Profits Interest Unit that is outstanding immediately prior to the Effective Time and held of record by:

(i) a Non-U.S. Person shall automatically be converted into such number of Common Shares as is equal to the Closing Per Common Unit Merger Consideration or Closing Per Profits Interest Unit Merger Consideration, as applicable, divided by the price per Common Share which shall be equal to (x) the Target Amount divided by (y) the total number of CGGC Shares outstanding immediately prior to the Col-Care Transaction;

(ii) a U.S. Person that is, to the reasonable belief of Col-Care and CGGC, a Qualified Investor shall automatically be converted into such number of Proportionate Voting Shares as is equal to the Closing Per Common Unit Merger Consideration or the Closing Per Profits Interest Unit Merger Consideration, as applicable, divided by the price per Proportionate Voting Share which shall be equal to (x) an amount equal to the Target Amount divided by (y) the total number of CGGC Shares outstanding immediately prior to the Col-Care Transaction and (z) multiplied by the Exchange Ratio; and

(iii) a U.S. Person that is not, to the reasonable belief of Col-Care and CGGC, a Qualified Investor shall be automatically converted into the right to receive cash of Col-Care in the amount of the Cash-Out Amount with respect to each Col-Care Common Unit and each Profits Interest Unit held by such Person. As used herein, the "**Cash-Out Amount**" per Col-Care Common Unit or Profits Interest Unit shall be an amount in cash equal to the Closing Per Common Unit Merger Consideration or the Closing Per Profits Interest Unit Merger Consideration, as applicable.

(c) Col-Care Options. Each Col-Care Option that has not lapsed, expired, been cancelled or exercised, or exchanged for a Replacement Option on or prior to the Effective Time and is held of record by:

(i) a Non-U.S. Person shall continue according to its terms, provided that, if and to the extent not addressed by such terms, such Col-Care Option shall be automatically adjusted from and after the Effective Time such that, upon the exercise of such Col-Care Option after the Effective Time, the holder thereof would receive such number of Common Shares as such holder would have received had such holder exercised such Col-Care Option immediately prior to the Effective Time and received Common Shares in accordance with Section 2.05(b)(i) and the total exercise price in respect of such Col-Care Option shall be proportionally and equitably adjusted among the total number of Common Shares then issued in respect of such Col-Care Option;

(ii) a U.S. Person that is, to the reasonable belief of Col-Care and CGGC, a Qualified Investor shall continue according to its terms, provided that, if and to the extent not addressed by such terms, such Col-Care Option shall be automatically adjusted from and after the Effective Time such that, upon the exercise of such Col-Care Option after the Effective Time, the holder thereof would receive such number of Proportionate Voting Shares as such holder would have received had such holder exercised such Col-Care Option immediately prior to the Effective Time and received Proportionate Voting Shares in accordance with Section 2.05(b)(ii) and

the total exercise price in respect of such Col-Care Option shall be proportionally and equitably adjusted among the total number of Proportionate Voting Shares then issued in respect of such Col-Care Option; and

(iii) a U.S. Person that is not, to the reasonable belief of Col-Care and CGGC, a Qualified Investor shall be automatically converted into the right to receive cash of Col-Care in the amount of (A) the Cash-Out Amount with respect to each Col-Care Common Unit that would have been received by such holder if such holder had exercised such Col-Care Option immediately prior to the Effective Time over (B) the cash exercise price to acquire such Common Units issuable upon the exercise of such Col-Care Option and the Col-Care Common Unit received by such holder pursuant to such exercise were converted into the right to receive cash of Col-Care pursuant to Section 2.05(b)(iii).

(d) Surviving Company Issuances. As consideration for CGGC issuing the Common Shares and the Proportionate Voting Shares to former holders of Col-Care Common Units and Profits Interest Units as contemplated in Section 2.05(b) the Surviving Company shall issue to CGGC one unit of ownership for each Common Share or Proportionate Voting Share that is issued by CGGC pursuant to the transactions contemplated in Section 2.05(b).

(e) CGGC Stated Capital. CGGC shall add to its capital account pursuant to the BCBCA in respect of the Common Shares and the Proportionate Voting Shares, respectively, an amount which is equal to the fair market value of the ownership units issued by the Surviving Company to CGGC, as contemplated in Section 2.05(d), in respect of the Common Shares or Proportionate Voting Shares, as applicable, issued to former holders of Col-Care Common Units and Profits Interest Units.

(f) Other Rights. Col-Care shall use commercially reasonable efforts to amend the terms of all securities convertible into or exchangeable or exercisable for, and any other rights to acquire (including those rights under any Contract), Col-Care Common Units or each Profits Interest Units (other than Col-Care Options) to provide that such securities or other rights are exercisable or convertible or exchangeable for CGGC Common Shares on the same basis as the Col-Care Common Units at the Effective Time (each, a "**Rights Amendment**").

(g) Qualified Investors. For the purposes of this Agreement, if Col-Care and CGGC cannot agree, based on their reasonable belief, whether a U.S. Person is a Qualified Investor, such U.S. Person shall be deemed not to be a Qualified Investor in connection with the Col-Care Transaction.

(h) Appraisal Rights. Appraisal rights shall not be available to Col-Care Members in respect of the Col-Care Transaction notwithstanding that such rights are permitted by Section 18-210 of the DLLCA.

Section 2.06 CLOSING.

(a) At least five (5) Business Days prior to the anticipated Closing Date, Col-Care shall prepare and deliver to CGGC a written statement setting forth a list of (i) the Col-Care Members and the holders of Col-Care Options that are Non-U.S. Persons and the Col-Care Members that are U.S. Persons that are Qualified Investors (including addresses for such Persons), the number of Col-Care Ownership Interests or Col-Care Options held by such Col-Care Members and holders of Col-Care Options, the number of Common Shares and Proportionate Voting Shares, respectively, each such Col-Care Member is entitled to receive in accordance with Section 2.05(b)(i) and Section 2.05(b)(ii) and each such holder of Col-Care Options is entitled to receive in accordance with Section 2.05(c)(i) and Section 2.05(c)(ii), and (ii) the

Col-Care Members and the holders of Col-Care Options that are U.S. Persons that are not Qualified Investors (including addresses for such Persons), the number of Col-Care Ownership Interests or Col-Care Options held by such Col-Care Members and holders of Col-Care Options, and the amount of any Cash-Out Amount paid or payable to such Persons pursuant to Section 2.05(b)(iii) and Section 2.05(c)(iii) hereinabove, in each case together with copies of all letters of transmittal completed and delivered by such Col-Care Members and holders of Col-Care Options and such other supporting documentation as CGGC may reasonably request.

(b) Contemporaneously with any written consent delivered to the Col-Care Members to approve the Col-Care Transaction, Col-Care shall send, or shall cause its agent to send, to each record holder of Col-Care Common Units or Profits Interest Units that may be converted into Common Shares or Proportionate Voting Shares, a letter of transmittal and instructions (which letter of transmittal will be in customary form and have such other provisions as CGGC and the Surviving Company may reasonably specify) for use in such exchange. In addition and as a part of such letter of transmittal, each such Col-Care Member will be required to (i) identify if they are a U.S. Person or a non-U.S. Person and (ii) indicate if they are a Qualified Investor. CGGC shall continue to collect and receive all such letters of transmittal after the Effective Time to the extent not received prior to the Effective Time. With respect to any Col-Care Member that is not a Qualified Investor, such letter of transmittal shall specify delivery and payment instructions for the payment of the Cash-Out Amount.

(c) At the Effective Time, the stock transfer books of Col-Care shall be closed and thereafter, there shall be no further registration or transfers of Col-Care Common Units or Profits Interest Units on the transfer books of Col-Care.

Section 2.07 **TAX TREATMENT**.

(a) The Parties acknowledge and agree that the transactions pursuant to this Agreement are intended to be treated for U.S. federal income Tax purposes and any applicable U.S. state or local income Tax purposes in the manner set forth in this Section 2.07(a).

(i) CGGC shall be treated as a domestic corporation for U.S. federal income tax purposes under Section 7874(b) of the Code.

(ii) Pursuant to Treasury Regulations § 1.7874-2(j)(1), the deemed conversion of CGGC from a foreign corporation to a domestic corporation by reason of Section 7874(b) of the Code shall be treated as a reorganization under Section 368(a)(1)(F) of the Code occurring on the day immediately preceding the Closing Date.

(iii) The conversion, if any, of Subscription Receipts for Non-Voting Shares pursuant to the Subscription Receipt Agreement shall be disregarded, and the transactions pursuant to the Subscription Receipt Agreement shall be treated as a contribution of cash by the holders of Subscription Receipts (as defined in the Subscription Receipt Agreement) in exchange for Common Shares (such contribution and exchange, the "**SRA Contribution and Exchange**").

(iv) The CGGC Share Conversion, the SRA Contribution and Exchange, and the Col-Care Transaction shall be treated as a single integrated transaction in which no gain or loss is recognized under Sections 351 and 1032 of the Code.

(b) Each Party shall use its best efforts to cause the transactions pursuant to this Agreement to be treated for U.S. federal income Tax purposes and any applicable U.S. state or local income Tax purposes

in the manner set forth in Section 2.07(a). No Party shall take any action, fail to take any action, cause any action to be taken or knowingly cause any action to fail to be taken that could reasonably be expected to prevent the transactions pursuant to this Agreement being treated in the manner set forth in Section 2.07(a). Each Party hereto agrees to act in good faith, consistent with the terms of this Agreement and the intent of the Parties and the intended treatment of such transactions as set forth in Section 2.07(a). Each Party shall retain such records and file such information as is required to be retained and filed pursuant to Treasury Regulations § 1.351-3 in connection with the transaction set forth in Section 2.07(a)(iv). Notwithstanding anything to the contrary in this Agreement, including Section 2.07, no Party makes any representation, warranty or covenant to any other party regarding the tax treatment of the transactions contemplated by this Agreement.

(c) Upon the written request of Col-Care, the Parties will make such changes to this Agreement as are necessary to cause MergerSub to merge with and into Col-Care such that Col-Care becomes the Surviving Company and the separate corporate existence of MergerSub shall thereupon cease pursuant to Section 2.01 and pursuant the Certificate of Merger attached hereto as Schedule "B".

Section 2.08 **WITHHOLDING TAXES**. CGGC, the Surviving Company and Col-Care, as applicable, shall be entitled to deduct and withhold from any consideration, including by way of the sale of CGGC Common Shares by CGGC on behalf of the Person, otherwise payable or otherwise deliverable to a Person under the Col-Care Transaction or otherwise hereunder such amounts as it is required to deduct and withhold from such consideration under any provision of any Laws in respect of Taxes. Any such amounts will be deducted, withheld and remitted to the appropriate Governmental Authority from the consideration payable pursuant to the Col-Care Transaction and shall be treated for all purposes under this Agreement as having been paid to the Person in respect of which such deduction, withholding and remittance was made; provided that such deducted and withheld amounts are actually remitted to the appropriate Governmental Authority.

Section 2.09 **ANNOUNCEMENT AND SHAREHOLDER COMMUNICATIONS.** The Parties shall publicly announce the transactions contemplated hereby promptly following the execution of this Agreement, the text and timing of such announcement to be approved by each Party in advance, acting reasonably. Neither Col-Care nor CGGC may inform, other than in consultation with the other and in the necessary course of business and on a confidential basis, another Person of a material fact or material change with respect to Col-Care or CGGC before the material fact or material change has been publicly disclosed. No Party shall:

(a) otherwise issue any press release or otherwise make any public announcement with respect to this Agreement or the Col-Care Transaction without the consent of the other Party (which consent shall not be unreasonably withheld or delayed); or

(b) make any filing with any Governmental Authority with respect thereto without prior consultation with the other Party other than as set forth in the Col-Care Disclosure Schedule;

provided that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing pursuant to this Agreement or Law or stock exchange rules, and the Party making such disclosure or filing shall use commercially reasonable efforts to give prior written notice to the other Party and a reasonable opportunity to review or comment on such disclosure or filing, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing.

Section 2.10 **U.S. SECURITIES LAW MATTERS.**

(a) Compliance with Laws. Common Shares and Proportionate Voting Shares are being issued by CGGC in the Col-Care Transaction pursuant to an exemption from the registration requirements of the Securities Act pursuant to Rule 506 of Regulation D promulgated under the Securities Act and will not be registered under the Securities Act or any state securities laws. Such shares shall be "restricted securities" within the meaning of Rule 144 under the Securities Act and any disposition of such shares by the holder thereof will need to be made pursuant to an effective registration of the shares under the Securities Act or pursuant to an available exemption from such registration requirements. Each holder of Common Shares or Proportionate Voting Shares covenants that such Common Shares or Proportionate Voting Shares may be disposed of only pursuant to an effective registration statement under, and in compliance with the requirements of, the Securities Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and in compliance with any applicable state and federal securities laws. In connection with any transfer of the Common Shares or Proportionate Voting Shares other than (i) pursuant to an effective registration statement or (ii) pursuant to Rule 144 (provided that the holder provides CGGC with reasonable assurances (in the form of seller and, if applicable, broker representation letters) that the securities may be sold pursuant to such rule), CGGC may require the transferor thereof to provide to CGGC an opinion of counsel selected by the transferor and reasonably acceptable to CGGC, the form and substance of which opinion shall be reasonably satisfactory to CGGC, to the effect that such transfer does not require registration of such transferred Common Shares or Proportionate Voting Shares under the Securities Act.

(b) Legends. Certificates evidencing the Common Shares and the Proportionate Voting Shares shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form:

THESE COMMON SHARES/PROPORTIONATE VOTING SHARES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE COMMON SHARES/PROPORTIONATE VOTING SHARES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO CGGC AND ITS TRANSFER AGENT OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER THE SECURITIES ACT.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF COL-CARE

Except as set forth in the Col-Care Disclosure Schedule, Col-Care hereby represents and warrants to CGGC as follows, and acknowledges and agrees that CGGC is relying upon such representations and warranties in connection with the entering into of this Agreement:

Section 3.01 **INCORPORATION AND QUALIFICATION**. Col-Care is a limited liability company duly organized, validly existing, and in good standing under the laws of the state of Delaware and has the limited liability company power to own and operate its property, carry on its business and enter into this Agreement and to consummate the Col-Care Transaction subject to the terms and conditions contained in this Agreement. Col-Care has delivered a copy of the Operating Agreement to CGGC. Col-Care and its Material Subsidiaries are duly qualified, licensed or registered to carry on business in each jurisdiction in which the character of their assets and properties, owned, leased, licensed or otherwise held, or the nature

of their activities makes such qualification, licensing or registration necessary, and have all Governmental Authorizations required to own, lease and operate their properties and to carry on their businesses as now conducted, except where the failure to be so qualified, licensed or registered, or the failure to have such Governmental Authorizations would not, individually or in the aggregate, have a Material Adverse Effect on Col-Care or its Subsidiaries. No steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of Col-Care or its Material Subsidiaries.

Section 3.02 **CORPORATE AUTHORIZATION**. Subject to the Col-Care Member Approval, Col-Care has taken all action required by Law, its certificate of formation, the Operating Agreement or otherwise to authorize the execution and delivery and performance by Col-Care of this Agreement and such other agreements as contemplated herein, and to consummate the Col-Care Transaction. No other approvals of Col-Care are necessary to authorize the execution and delivery by it of this Agreement or the consummation of the transactions contemplated by this Agreement.

Section 3.03 **EXECUTION AND BINDING OBLIGATION**. This Agreement has been duly executed and delivered by Col-Care and constitutes the legal, valid and binding obligation and agreement of Col-Care enforceable against it in accordance with its terms, subject to Col-Care Member Approval and any limitation under bankruptcy, insolvency or other Law affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

Section 3.04 **SUBSIDIARIES**. Other than the Col-Care Group, no Subsidiary of Col-Care owns any material assets (other than equity interests in other Subsidiaries of Col-Care), has any material liabilities or obligations (contingent or otherwise), has any current operations, is subject to or a party to any order or judgement or has any employees.

Section 3.05 **GOVERNMENTAL AUTHORIZATION**. The execution, delivery and performance by Col-Care of its obligations under this Agreement and the consummation of the Col-Care Transaction and the other transactions contemplated hereby do not require any Governmental Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Authority by Col-Care or by any of its Material Subsidiaries other than (a) the filing of a pre-merger notification and report by Col-Care under the HSR Act, and the expiration or termination of applicable waiting periods thereunder, (b) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, and (c) any Governmental Authorizations which, if not obtained, or any other actions by or in respect of, or filings with, or notifications to, any Governmental Authority which, if not taken or made, would not (i) individually or in the aggregate, materially impede the ability of Col-Care to consummate the Col-Care Transaction and the other transactions contemplated hereby, or (ii) would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Col-Care or any of its Subsidiaries.

Section 3.06 **NO CONFLICT**. The execution, delivery and performance, and consummation of the transactions contemplated by the Agreement by Col-Care, and its Material Subsidiaries:

(a) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) constitute or result in a violation or breach of, or conflict with, or allow any Person to exercise any rights under, any of the terms or provisions of any of Col-Care's or its Material Subsidiaries' Constating Documents (including its certificate of formation and the Operating Agreement) except any consents required for Closing which will be obtained by such time;

(b) do not and will not (or would not with the giving of notice, the lapse of time or the happening or any other event or condition) constitute or result in a breach or violation of, or conflict with or allow any Person to exercise any rights under, any of the terms or provisions of any Col-Care Material Contract;

(c) do not and will not result in a breach of, or cause the termination or revocation of, any Governmental Authorization held by Col-Care or any of its Material Subsidiaries or the operation of Col-Care's business as presently conducted;

(d) do not and will not violate, conflict with, or constitute a default (or an event or condition which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or cause the acceleration of the maturity of any liability or obligation pursuant to, or result in the creation or imposition of any security interest, lien, charge or other encumbrance upon any of the property or assets of Col-Care or any of its Material Subsidiaries under any note, bond, mortgage, indenture, deed of trust, license, lease, contract, commitment, understanding, arrangement, agreement or restriction of any kind or character to which Col-Care or any of its Material Subsidiaries is a party or by which it may be bound or affected or to which any of its property or assets may be subject;

(e) do not and will not result in the violation of any Law; and

(f) except in the case of clauses (b), (c), (d) and (e) above as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Col-Care or its Subsidiaries.

Section 3.07 **REQUIRED CONSENTS**. There is no requirement to obtain any consent, approval or waiver of a party under any Lease or any Contract to which Col-Care or any of its Material Subsidiaries is a party to any of the transactions contemplated by this Agreement, except for any consent, approval or waiver of a party as to which failure to obtain would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Col-Care or its Subsidiaries.

Section 3.08 **AUTHORIZED AND ISSUED CAPITAL**. Section 3.08 of the Col-Care Disclosure Schedule sets out (a) the authorized equity interests and (b) the issued and outstanding equity interests of Col-Care as of the date hereof, all of which (and no more) issued and outstanding equity interests have been duly issued and are outstanding as fully paid and non-assessable, and have been issued in compliance with all applicable Laws. Col-Care is not a reporting issuer (as such term is defined in the *Securities Act* (Ontario)) and there is no published market for the Col-Care Ownership Interests. All of the issued and outstanding securities of Col-Care's Material Subsidiaries are owned by one or more of Col-Care or its Material Subsidiaries, as set out in Section 3.08 of the Col-Care Disclosure Schedule as the registered and beneficial owner with a good title, free and clear of all Liens, except for Permitted Liens.

Section 3.09 **NO OTHER AGREEMENTS TO PURCHASE**. Except as set out under this Agreement or in connection with the transactions contemplated hereby, no Person has any Contract, option or warrant or any right or privilege (whether by Law, pre-emptive or contractual granted by Col-Care) capable of becoming such for the purchase, subscription, allotment or issuance of any of the unissued equity securities of Col-Care or any of its Subsidiaries.

Section 3.10 **DIVIDENDS AND DISTRIBUTIONS**. Since September 30, 2018, neither Col-Care nor any of its Subsidiaries has, directly or indirectly, declared or paid any dividends or declared or made any other distribution on any of its equity securities or has, directly or indirectly, redeemed, purchased or otherwise acquired any of its equity securities or agreed to do so.

Section 3.11 **CORPORATE RECORDS**. The corporate or limited liability company records, as applicable, of Col-Care and its Material Subsidiaries, including all Constating Documents, minute books,

registers, and all other similar documents and records ("**Corporate Records**"), are complete and accurate in all material respects and all proceedings and actions (including all meetings, passing of resolutions, transfers, elections and appointments) are reflected in the Corporate Records and have been conducted or taken in compliance in all material respects with all applicable Laws and with the Constating Documents of Col-Care and its Subsidiaries.

Section 3.12 **CONDUCT OF BUSINESS IN ORDINARY COURSE**. Except as disclosed in the Col-Care Financial Statements, since September 30, 2018, (a) the business of Col-Care and its Material Subsidiaries has been carried on in the Ordinary Course; and (b) neither Col-Care nor any of its Material Subsidiaries has taken any action that would have been prohibited by Section 5.01 of this Agreement if this Agreement had been in effect as of the time thereof.

Section 3.13 **NO MATERIAL ADVERSE EFFECT**. Since September 30, 2018, there has not been any Material Adverse Effect on Col-Care or its Subsidiaries and no event has occurred or circumstance exists which would reasonably be expected to result in such a Material Adverse Effect on Col-Care or its Subsidiaries.

Section 3.14 **COMPLIANCE WITH LAWS**. Other than in respect of certain United States federal laws relating to the cultivation, distribution or possession of cannabis in the United States, as disclosed in the Col-Care Disclosure Schedule, and other related Laws (collectively, the "**U.S. Cannabis Laws**"), Col-Care and each of its Subsidiaries have conducted and are conducting the Col-Care Business in material compliance with all applicable Laws of each jurisdiction in which it carries on business, and Col-Care and each of its Subsidiaries hold all material Governmental Authorizations necessary or appropriate for carrying on the Col-Care Business as currently carried on and all such Governmental Authorizations are valid and subsisting and in good standing in all material respects. Without limiting the generality of the foregoing, to the Knowledge of Col-Care, none of Col-Care or its Subsidiaries has received a written notice of non-compliance, nor does it know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Governmental Authorizations (other than with respect to the U.S. Cannabis Laws).

Section 3.15 **AUTHORIZATIONS**. Other than in respect of U.S. Cannabis Laws, one or more of Col-Care or its Subsidiaries owns, holds, possesses or lawfully uses in the operation of its business as presently conducted, all Governmental Authorizations which are necessary for them to conduct its business as presently conducted in compliance with all applicable Laws, except where the failure to have any of the Governmental Authorizations has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Col-Care or its Subsidiaries. All Governmental Authorizations material to Col-Care and its Subsidiaries or their business are listed in Section 3.15 of the Col-Care Disclosure Schedule. Each such Governmental Authorization is valid, subsisting and in good standing, neither Col-Care nor any of its Material Subsidiaries is in default or breach of any such Governmental Authorization and no proceeding is pending or, to the Knowledge of Col-Care or its Material Subsidiaries, threatened to revoke or limit any such Governmental Authorization. All such Governmental Authorizations are renewable by their terms or in the ordinary course of business without the need for Col-Care or any of its Subsidiaries holding such Governmental Authorizations to comply with any special rules or procedures, agree to any materially different terms or conditions or pay any amounts other than routine filing fees.

Section 3.16 **SUFFICIENCY OF ASSETS**. The Col-Care Business is the only business operation currently carried on by Col-Care and its Subsidiaries and Col-Care and its Subsidiaries have all rights and property necessary to enable Col-Care and its Subsidiaries to conduct the Col-Care Business after the Effective Time substantially in the same manner as it was conducted prior to the Effective Time.

Section 3.17 **TITLE TO THE ASSETS**. Col-Care and its Material Subsidiaries own (with good title) all of the tangible assets that they purport to own (including all the properties and assets reflected as being owned by Col-Care or its Material Subsidiaries, as applicable, in Col-Care's and its Material Subsidiaries' financial books and records) free and clear of all Liens, except for Permitted Liens or Liens that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Col-Care or its Subsidiaries. Any and all of the Material Contracts and other documents and instruments pursuant to which Col-Care and its Material Subsidiaries hold the property and assets thereof (including any interest in, or right to earn an interest in, any Intellectual Property) are valid and subsisting and are in full force and effect, enforceable in accordance with the terms thereof.

Section 3.18 **NO OPTIONS, ETC. TO PURCHASE ASSETS**. No Person has any Contract, option, understanding, or any right or privilege capable of becoming such for the purchase or other acquisition from Col-Care or any of its Material Subsidiaries of any of the material assets, other than pursuant to Permitted Liens.

Section 3.19 **CONDITION OF TANGIBLE ASSETS**. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Col-Care or its Subsidiaries, (a) the buildings, plants, structures, towers, vehicles, equipment, technology and communications hardware and other tangible personal property of Col-Care and its Material Subsidiaries are structurally sound, in good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put, ordinary wear and tear excepted, and (b) none of such buildings, plants, structures, towers, vehicles, equipment or other property are in need of maintenance or repairs except for routine maintenance and repairs in the Ordinary Course.

Section 3.20 **OWNED PROPERTY**. Except as set forth in Section 3.20 of the Col-Care Disclosure Schedule, none of Col-Care or any of its Material Subsidiaries owns or has ever owned any real property.

Section 3.21 **LEASES**. Section 3.21 of the Col-Care Disclosure Schedule sets out all leases involving payments in excess of US$5 million per year of the properties leased by Col-Care and its Material Subsidiaries (each a "**Lease**"). A true and complete schedule of all Leases has been provided to CGGC and Section 3.21 of the Col-Care Disclosure Schedule accurately sets out a description of the leased premises by municipal address, the term of the Lease and the rental payments under the Lease, including, any rights of renewal and the terms thereof, and any restrictions on assignment, change of control, merger or amalgamation. Each Lease creates a good and valid leasehold estate in the properties thereby demised and is in full force and effect without amendment, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Col-Care or its Subsidiaries. The performance of obligations pursuant to and in compliance with the terms of this Agreement and the completion of the transactions described herein, will not afford any of the parties to such Leases or any other Person the right to terminate such Leases or result in any additional or more onerous obligations under such Leases.

Section 3.22 **MATERIAL CONTRACTS**. Except for the Contracts in Section 3.22 of the Col-Care Disclosure Schedule, neither Col-Care nor any of its Material Subsidiaries is a party to or bound by:

(a) any continuing Contract involving the performance of services, delivery of goods or materials, or payments to or by one or more of Col-Care or any of its Material Subsidiaries, other than Contracts with end-customers, of an amount or value in excess of US$5 million in any one year period which is not terminable on less than ninety (90) days' notice without material penalty;

(b) any Contract of an amount or value in excess US$5 million in any one year period that expires or may be renewed at the option of any Person other than Col-Care or any of its Subsidiaries, as applicable, so as to expire more than one year after the date of this Agreement;

(c) any trust indenture, mortgage, promissory note, loan agreement or other Contract for the borrowing of money, any currency exchange, interest rate, commodities or other hedging arrangement or any leasing transaction of the type required to be capitalized in accordance with U.S. GAAP;

(d) any agreement of guarantee, support, indemnification, assumption or endorsement of, or any similar commitment with respect to, the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or indebtedness of any other Person that is not an Affiliate;

(e) any Contract in respect of any material Intellectual Property or material software owned by, licensed to or used by Col-Care or any of its Material Subsidiaries, other than commercially available Intellectual Property or commercially available software that is licensed on standard terms to Col-Care and its Material Subsidiaries;

(f) any Contract for capital expenditures in excess of the aggregate amount of US$5 million;

(g) any material exclusivity Contract or any Contract materially limiting the freedom of Col-Care or any of its Material Subsidiaries to engage in any line of business or materially compete with any other Person, transfer or move any of its respective assets or operations, or which adversely materially affects the business practices, operations or condition of Col-Care or its Subsidiaries; and

(h) any Contract whose absence would reasonably be expected to have a Material Adverse Effect on Col-Care or its Subsidiaries (the Contracts described in clauses (a) through (h) above, collectively, the "**Material Contracts**").

Section 3.23 **NO BREACH OF MATERIAL CONTRACTS**. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Col-Care or its Subsidiaries: (a) Col-Care and its Material Subsidiaries have performed all of the obligations required to be performed by them, and are entitled to all benefits, under the Material Contracts to which they are parties; (b) to the Knowledge of Col-Care or its Material Subsidiaries, neither Col-Care nor any of its Material Subsidiaries is alleged to be in default of any Material Contract to which it is a party; and (c) each of the Material Contracts is in full force and effect, unamended, and, to the Knowledge of Col-Care and its Material Subsidiaries, there exists no default or event of default or event, occurrence, condition or act (including the transactions contemplated herein) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default of Col-Care or any of its Material Subsidiaries or its counterparty under any Material Contract. True, correct and complete copies of all Material Contracts have been delivered or otherwise made available to CGGC.

Section 3.24 **ACCOUNTS RECEIVABLE**. To the Knowledge of Col-Care, all material accounts receivable of Col-Care and its Material Subsidiaries are bona fide, other than receivables recorded as bad debt; provided, any intercompany loans or rights to receive management fees shall be excluded from any determination of accounts receivable for purposes of this Section 3.24.

Section 3.25 **INTELLECTUAL PROPERTY**. Except as would not reasonably be expected to have a Material Adverse Effect on Col-Care or its Material Subsidiaries, (a) each of Col-Care and its Material Subsidiaries owns, licenses or otherwise possesses legally enforceable rights to use, all material Intellectual Property used in its business as currently conducted, and (b) there are no material pending or, to the Knowledge of Col-Care, material threatened claims by any Person challenging the use by Col-Care or any of its Material Subsidiaries of any material Intellectual Property in its business as currently conducted. Except as would not reasonably be expected to have a Material Adverse Effect on Col-Care or its Material Subsidiaries: (i) the conduct of the business of each of Col-Care and its Material Subsidiaries does not infringe upon any Intellectual Property rights of any Person, and (ii) neither Col-Care nor any of its Material

Subsidiaries has received any written notice, charge, complaint, claim or other written assertion from any other Person pertaining to or challenging the right of Col-Care or any of its Material Subsidiaries to use any Intellectual Property. To the Knowledge of Col-Care, no Person is infringing, misappropriating, or otherwise violating the Intellectual Property of Col-Care or any of its Material Subsidiaries. Col-Care or its Material Subsidiaries have taken commercially reasonable actions to protect, preserve and maintain their Intellectual Property under applicable Law, including such reasonable actions as requiring employees and consultants to enter into intellectual property assignment agreements and waivers to any non-assignable rights (including moral rights), in each case, to the extent that such employees or consultants have created, worked on or have developed any part of the Intellectual Property of Col-Care or any of its Material Subsidiaries.

Section 3.26 **BOOKS AND RECORDS**. All accounting and financial books and records of Col-Care and its Material Subsidiaries have been fully, properly and accurately kept and completed in all material respects. Such books and records and other data and information are not recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which will not be available in the Ordinary Course.

Section 3.27 **FINANCIAL STATEMENTS**. The Col-Care Financial Statements have been prepared in accordance with U.S. GAAP applied on a basis consistent with those of previous fiscal years and each presents fairly in all material respects the consolidated financial position of Col-Care and its consolidated Subsidiaries as at the respective dates thereof and the consolidated results of operations for the respective periods then ended (subject in the case of unaudited statements to normal year-end audit adjustments and to any other adjustments described therein). True, correct and complete copies of the Col-Care Financial Statements are attached as Section 3.27 of the Col-Care Disclosure Schedule.

Section 3.28 **NO LIABILITIES**. Neither Col-Care nor any of its Subsidiaries has any liability or obligation of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise) other than: (a) liabilities or obligations to the extent shown on the Col-Care Financial Statements; (b) liabilities or obligations incurred in the Ordinary Course since the date of the Col-Care Financial Statements; (c) liabilities or obligations which have been discharged or paid in full in the Ordinary Course; or (d) liabilities or obligations, which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Col-Care or its Subsidiaries, or are not required to be disclosed on the Col-Care Financial Statements in accordance with U.S. GAAP.

Section 3.29 **ENVIRONMENTAL MATTERS**. Neither Col-Care nor any of its Subsidiaries has been required by any Governmental Authority to (a) alter any of the Leased Properties in a material way in order to be in compliance with Environmental Laws where such requirement was not complied with, or (b) perform any environmental closure, decommissioning, rehabilitation, restoration or post-remedial investigations, on, about, or in connection with any real property.

(a) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Col-Care or its Subsidiaries, there are no liabilities of or relating to Col-Care or any of its Material Subsidiaries, whether accrued, contingent, absolute, determined, determinable or otherwise, arising under or relating to any applicable Laws relating to pollution or protection of human health or the environment.

(b) To the Knowledge of Col-Care, there has not been a discharge or release of a contaminant that (i) imposes an obligation on Col-Care or any of its Material Subsidiaries to remediate, (ii) currently imposes a reporting obligation at law on the part of Col-Care or any of its Subsidiaries and there has not been a discharge or release of a contaminant that would reasonably be expected to result in material liability to Col-Care or any of its Subsidiaries.

(c) Section 3.29 of the Col-Care Disclosure Schedule lists all reports and material documents relating to negative or adverse environmental matters affecting Col-Care or any of its Subsidiaries which could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Col-Care or its Subsidiaries. Copies of all such reports and documents have been provided to CGGC.

Section 3.30 **EMPLOYEES**.

(a) Col-Care and its Material Subsidiaries have not engaged in any material unfair labour practice and, to the Knowledge of Col-Care and its Material Subsidiaries, no material unfair labour practice complaint, grievance or arbitration proceeding is pending or threatened against Col-Care or any of its Material Subsidiaries. Col-Care and its Material Subsidiaries have been and are in material compliance with all employment Contracts and all Laws respecting employment, including employment standards, labour, health and safety, workers' compensation and human rights Laws.

(b) Each Person that performs services for Col-Care or any of its Material Subsidiaries is properly classified as an employee or independent contractor of Col-Care or any of its Material Subsidiaries under relevant Law and neither Col-Care nor its Material Subsidiaries have received any notice from any Person or Governmental Authority disputing such classification.

(c) No employee providing services to Col-Care or its Material Subsidiaries (i) who is required by Law to possess a permit or visa, is employed without a valid work permit or visa, and (ii) is employed pursuant to a work permit or visa that would be adversely affected by the transactions contemplated by this Agreement. Col-Care and its Material Subsidiaries are in material compliance with applicable immigration Laws.

Section 3.31 **LABOUR AND EMPLOYMENT MATTERS**. As of the date of this Agreement neither Col-Care nor any of its Material Subsidiaries is a party to, or bound by, any collective bargaining agreement (or similar agreement or arrangement in any foreign country) with employees, a labour union or labour organization. As of the date of this Agreement, to the Knowledge of Col-Care, (a) there are no strikes or lockouts with respect to any employees of Col-Care or any of its Material Subsidiaries, and (b) there is no union organizing effort pending or threatened against Col-Care or any of its Material Subsidiaries. Each of Col-Care and its Material Subsidiaries is in compliance with all currently applicable Laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labour practice, the failure to comply with which or engagement in which, as the case may be, would have a Material Adverse Effect on the Col-Care Group.

Section 3.32 **EMPLOYEE PLANS**. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Col-Care Group, (a) each Employee Plan has been maintained in compliance with its terms and in accordance with all applicable Laws, (b) all required employer contributions under such Employee Plans have been made in accordance with the terms thereof, and (c) each Col-Care benefit plan that is required or intended to be qualified under applicable Law or registered or approved by a Governmental Authority has been so qualified, registered or approved by the appropriate Governmental Authority, and, to the Knowledge of Col-Care, nothing has occurred since the date of the last qualification, registration or approval to adversely affect, or cause, the appropriate Governmental Authority to revoke such qualification, registration or approval.

Section 3.33 **INSURANCE**. All policies of insurance to which each Col-Care Group member is a party or that provide coverage to such Col-Care Group member are valid, outstanding and enforceable;

are issued by an insurer that is financially sound and reputable; and, taken together, provide adequate insurance coverage for the assets and operations of such Col-Care Group member for all risks normally insured against by a Person carrying on the same business as such Col-Care Group member and similarly situated. Each Col-Care Group member has paid all premiums due, and has otherwise performed all of its obligations in all material respects, under each policy of insurance to which it is a party or that provides coverage to such Col-Care Group member.

Section 3.34 **LITIGATION**. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Col-Care or its Subsidiaries, there are no actions, suits, proceedings, grievances, arbitrations, investigations, audits, or other alternative dispute resolution processes of any kind whatsoever involving Col-Care or any of its Subsidiaries or the directors, officers or employees of any of Col-Care or any of its Subsidiaries, pending, or, to the Knowledge of Col-Care or any of its Material Subsidiaries, threatened, against Col-Care or any of its Material Subsidiaries or the directors, officers or employees of any of Col-Care or any of its Subsidiaries. To the Knowledge of Col-Care or its Subsidiaries, there is no valid basis for any action, suit, proceeding, grievance, arbitration, investigation, audit, or other alternative dispute resolution process of any kind whatsoever involving Col-Care or any of its Subsidiaries or the directors, officers or employees of any of Col-Care or any of its Subsidiaries, except as would not have, individually or in the aggregate, a Material Adverse Effect on Col-Care or its Subsidiaries. None of Col-Care, its Subsidiaries, or any of their respective directors, officers or employees of any of Col-Care or its Subsidiaries is subject to any judgment, order or decree entered in any lawsuit or proceeding of any kind whatsoever, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Col-Care or its Subsidiaries.

Section 3.35 **PRODUCTS**. Col-Care and its Material Subsidiaries have not received any written notice from any customer or any applicable Governmental Authority alleging a defect or claim in respect of any products supplied or sold by Col-Care or its Subsidiaries to a customer, the occurrence of which would result in a Material Adverse Effect and, to the Knowledge of Col-Care, there are no circumstances that would give rise to any reports, recalls, public disclosure, announcements or customer communications required to be made by Col-Care or its Subsidiaries in respect of any products supplied or sold by Col-Care or its Subsidiaries the occurrence of which would result in a Material Adverse Effect.

Section 3.36 **SUPPLIERS AND CHANNEL PARTNERS**. Section 3.36 of the Col-Care Disclosure Schedule is a true and correct list setting forth the ten largest suppliers and the ten largest sales channel partners of Col-Care and its Material Subsidiaries by dollar amount as at the date of the Col-Care Financial Statements. No such supplier or sales channel partner has given Col-Care or any of its Material Subsidiaries notice terminating, canceling, reducing the volume under, or renegotiating the pricing terms or any other material terms of any Contract or relationship with Col-Care or any of its Material Subsidiaries or threatening to take any of such actions, and, to the Knowledge of Col-Care or its Material Subsidiaries, no such customer, supplier or sales channel partner intends to do any of the foregoing.

Section 3.37 **ANTI-CORRUPTION**. None of Col-Care or any of its Subsidiaries or, to the Knowledge of Col-Care or its Material Subsidiaries, any director, officer, agent, employee, other person associated with or acting on behalf of Col-Care or any of its Subsidiaries: (a) has used any funds for any unlawful contribution, gift, property, entertainment or other unlawful expense relating to political activity; (b) has made or taken, and neither Col-Care nor any of its Subsidiaries will take, any action in furtherance of any direct or indirect unlawful payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any foreign or domestic government official or employee (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any Person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) to improperly influence official action or secure an improper advantage for Col-Care or its Subsidiaries; (c)

has made, offered, or taken an act in furtherance of any bribe, unlawful rebate, payoff, influence payment, kickback or other unlawful payment; or (d) is aware of or has taken any action, directly or indirectly, that would result in a violation of any provision of, the *OECD Convention on Bribery of Foreign Public Officials in International Business Transactions* ("**OECD Convention**"), or the *Foreign Corrupt Practices Act of 1977*, as amended, and the rules and regulations thereunder (collectively, the "**FCPA**"), including, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA), including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, in contravention of the FCPA or any applicable anti-bribery and anticorruption Laws to which Col-Care, any of its Subsidiaries, any director, officer, agent, employee or other person associated with or acting on behalf of Col-Care or any of its Subsidiaries is subject. Col-Care and its Subsidiaries have each conducted their businesses in compliance with the FCPA and any applicable anti-bribery and anti-corruption Laws and have instituted and maintain and will continue to maintain policies and procedures designed to promote and ensure, and which are reasonably expected to continue to ensure, continued compliance with all applicable anti-bribery and anti-corruption Laws.

Section 3.38 **TAXES.**

(a) Each of Col-Care and its Subsidiaries has paid all material Taxes (whether or not shown on any Tax Return) within the time required by applicable Law, and has paid all assessments it has received in respect of material Taxes. Col-Care and each of its Subsidiaries has filed or caused to be filed with the appropriate Governmental Authority, within the times and in the manner prescribed by applicable Law, all Tax Returns which are required to be filed by or with respect to it. The information contained in such Tax Returns is true and correct in all material respects and such Tax Returns reflect accurately all material liability for Taxes of Col-Care and each of its Subsidiaries for the periods covered thereby.

(b) There are no claims, actions, suits, audits, proceedings, investigations, examinations or other actions pending or threatened in writing, or otherwise to the Knowledge of Col-Care, against Col-Care or any of its Subsidiaries in respect of Taxes.

(c) Col-Care and each of its Subsidiaries have withheld and collected all amounts required by applicable Law to be withheld or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Authority within the time prescribed under any applicable Law.

(d) Neither Col-Care nor any of its Subsidiaries is resident or carrying on business in Canada for purposes of the *Income Tax Act* (Canada).

(e) Col-Care is, and has been at all times since its formation, treated as a partnership or disregarded entity for federal and applicable state and local income Tax purposes.

(f) Col-Care or its Subsidiaries have not made an election pursuant to Section 1101(g)(4) of P.L. 144-74 (2015) (or any corresponding or similar state or local Tax Law or any Treasury Regulations promulgated with respect thereto).

Section 3.39 **PRIVACY.**

(a) Col-Care and the Material Subsidiaries have written privacy policies which govern the collection, storage, use and disclosure of personal information (as defined in the applicable jurisdiction) and Col-Care and its Material Subsidiaries are in compliance in all material respects with such policies.

(b) Col-Care and its Subsidiaries have reasonable security measures and safeguards in place to protect personal information which they collect from registered patients and customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. Col-Care and its Subsidiaries have complied, in all material respects, with all applicable privacy and consumer protection legislation and none has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy Laws, whether collected directly or from third parties, in an unlawful manner. Col-Care and its Subsidiaries have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse.

Section 3.40 **FINDERS' FEES**. No investment banker, broker, finder, financial adviser or other intermediary has been retained by or is authorized to act on behalf of Col-Care or any of its Material Subsidiaries, or any of their respective officers, directors or employees, or is entitled to any fee, commission or other payment from Col-Care or any of its Material Subsidiaries, or any of their respective officers, directors or employees, in connection with the Agreement or any other transaction contemplated by this Agreement.

Section 3.41 **PROSPECTUS DISCLOSURE.**

(a) Information and statements relating to Col-Care and its Material Subsidiaries that Col-Care has provided as of the date hereof, and information and statements relating to Col-Care and its Material Subsidiaries that Col-Care subsequently provides, to CGGC for inclusion in the Prospectus, have been and will be true, complete and correct in all material respects.

(b) Col-Care will have a reasonable basis for disclosing any forward looking information provided to CGGC for inclusion in the Prospectus, and such forward looking information will reflect the best currently available estimates and good faith judgments of the management of Col-Care, as the case may be, as to the matters covered thereby.

(c) All forecasts, budgets or projections provided to CGGC for inclusion in the Prospectus will be prepared in good faith and based on Col-Care management's determination of the prospects of its business.

(d) To the Knowledge of Col-Care, all information which has been prepared by Col-Care and relating to Col-Care and its Subsidiaries or their respective businesses, properties and liabilities and made available to CGGC, was as of the date of such information and is as of the date hereof and will be as of the Closing Date, true and correct in all material respects, taken as a whole, does not contain a Misrepresentation and no fact or facts have been omitted therefrom which would make such information materially misleading.

Section 3.42 **COMPLIANCE.**

(a) None of Col-Care, any of its Subsidiaries, or to the Knowledge of Col-Care, any director, officer, agent, employee, affiliate or other Person acting on behalf of Col-Care is aware of or has taken any action, directly or indirectly, that could result in a violation or a sanction for violation by such persons of the bribery provisions of the *Criminal Code* (Canada), the *Corruption of Foreign Public Officials Act* (Canada), the United States *Foreign Corrupt Practices Act of 1977* or the *U.K. Bribery Act 2010*, each as it may be amended, or similar Law of any other relevant jurisdiction; and Col-Care has instituted and maintains policies and procedures to ensure compliance therewith. No part of the proceeds of any offering of the securities of Col-Care has been or will be used, directly or indirectly, in violation of the bribery

provisions of the *Criminal Code* (Canada), the *Corruption of Foreign Public Officials Act* (Canada), the United States *Foreign Corrupt Practices Act of 1977* or the *U.K. Bribery Act 2010*, each as it may be amended, or similar Law of any other relevant jurisdiction; the operations of Col-Care and its Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any Governmental Authority involving Col-Care or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the Knowledge of Col-Care, threatened;

(b) None of Col-Care, any of its Subsidiaries, or, to the Knowledge of Col-Care, any director, officer, agent, employee or Affiliate of Col-Care (i) is, or is controlled or fifty percent (50%) or more owned in the aggregate by or is acting on behalf of, one or more individuals or entities that are currently the subject of any sanctions administered or enforced by the United States (including any administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or the Bureau of Industry and Security of the U.S. Department of Commerce), the United Nations Security Council, the European Union, a member state of the European Union (including sanctions administered or enforced by Her Majesty's Treasury of the United Kingdom), the federal government of Canada or other relevant sanctions authority (collectively, "**Sanctions**" and such Persons, "**Sanctioned Persons**" and each such Person, a "Sanctioned Person"), (ii) is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions that broadly prohibit dealings with that country or territory (collectively, "**Sanctioned Countries**" and each, a "**Sanctioned Country**") or (iii) will, directly or indirectly, use the proceeds of any offering of securities of Col-Care, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or entity in any manner that would result in a violation of any Sanctions by, or could result in the imposition of Sanctions against, any individual or entity (including any individual or entity participating in the offering, whether as underwriter, advisor, investor or otherwise);

(c) Col-Care and its Subsidiaries have not engaged in any dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country, in the preceding three years, nor does Col-Care and its Subsidiaries have any plans to engage in dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country.

Section 3.43 **NO OTHER REPRESENTATIONS**. Col-Care acknowledges and agrees that other than representations and warranties expressly set forth in Article IV of this Agreement, neither CGGC nor any other Person has made or makes any other representation or warranty, written or oral, express or implied, at law or in equity, with respect to CGGC.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF CGGC

CGGC hereby represents and warrants to Col-Care as follows, and acknowledges and agrees that Col-Care is relying upon such representations and warranties in connection with the entering into of this Agreement:

Section 4.01 **ORGANIZATION AND QUALIFICATION.** Each of CGGC, which is a SPAC, and CGGI is duly incorporated and validly existing under the Laws of Ontario and has the corporate power and authority to own, operate and lease its assets, to conduct its business as currently conducted and to enter into this Agreement and any Material Contract to which it is a party. Each of CGGC and CGGI is duly qualified, licensed or registered to carry on business and is in good standing in each jurisdiction in which the character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its

activities makes such qualification necessary, and has all Governmental Authorizations required to own, lease and operate its properties and to carry on its business as now conducted, except where the failure to be so qualified will not, individually or in the aggregate, have a Material Adverse Effect. Without limitation of the foregoing, CGGC is in compliance, and will continue to comply, with the requirements for SPACs under applicable Law. True and complete copies of the Constating Documents of CGGC and CGGI have been provided to Col-Care and no action has been taken to amend or supersede such documents.

Section 4.02 **CORPORATE AUTHORIZATION**. Each of CGGC and CGGI has all requisite corporate power and authority and has taken all actions to enter into, carry out all of the terms and conditions of, and perform its obligations under this Agreement and any Material Contract to which it is a party. The execution and delivery and performance by CGGC and CGGI of this Agreement and any Material Contract to which it is a party, including the consummation of the Col-Care Transaction and the subject matter of the CGGC Resolutions have been duly authorized by the CGGC Board and the board of directors of CGGI and no other corporate approvals on the part of CGGC or CGGI are necessary to authorize the execution and delivery by either of them of this Agreement and any Material Contract to which it is a party, or the performance thereof, including the consummation of the Col-Care Transaction and the subject matter of the CGGC Resolutions other than approval by the CGGC Board of the CGGC Circular and approval by the CGGC Shareholders of the CGGC Resolutions.

Section 4.03 **EXECUTION AND BINDING OBLIGATION**. Each of this Agreement and the Contracts which are material to CGGC or CGGI to which they are parties has been duly executed and delivered by CGGC and/or CGGI, as applicable, and constitutes a legal, valid and binding obligation and agreement of CGGC and/or CGGI, as applicable, enforceable against it in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Law affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

Section 4.04 **GOVERNMENTAL AUTHORIZATION**. The execution, delivery and performance by CGGC and CGGI of this Agreement and the Material Contracts to which they are parties, including the consummation of the Col-Care Transaction and the subject matter of the CGGC Resolutions, do not require any Governmental Authorization or other action by or in respect of, or filing, recording, registering or publication with, or notification to, any Governmental Authority other than (a) compliance with Securities Laws and stock exchange rules and policies, including filings with the CGGC Securities Authorities and the Exchange which will have been achieved or obtained at or before the Effective Time; (b) the filing of a pre-merger notification and report by Col-Care under the HSR Act, and the expiration or termination of applicable waiting periods thereunder, and (c) any Governmental Authorizations which, if not obtained, or any other actions by or in respect of, or filings with, or notifications to, any Governmental Authority which, if not taken or made, would not (i) individually or in the aggregate, materially impede the ability to consummate the Col-Care Transaction, the subject matter of the CGGC Resolutions and the other transactions contemplated hereby, or (ii) have or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.05 **NO CONFLICT / NON-CONTRAVENTION**. The execution and delivery of this Agreement, or any Material Contract to which either of them is party, by CGGC or CGGI or the performance by either of them of its obligations hereunder or thereunder do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition): (a) contravene, conflict with or result in any violation or breach of the provisions of the Constating Documents of CGGC or CGGI; (b) contravene, conflict with or result in a violation or breach of Law; (c) allow any Person to exercise any rights, require any consent or other action by any Person, or constitute a default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which CGGC or CGGI is entitled (including by triggering any rights of first refusal or first

offer, change in control provision or other restriction or limitation) under any Contract or other instrument indenture, deed of trust, mortgage, bond or any Governmental Authorization to which CGGC or CGGI is a party or by which CGGC or CGGI is bound; (d) result in the creation or imposition of any Lien upon any of the properties or assets of CGGC or CGGI, cause the acceleration or material modification of any rights or obligations under, create in any party the right to terminate, constitute a default or breach of, or violate or conflict with the terms, conditions or provisions of, any Material Contract to which CGGC or CGGI is a party, or (e) result in a breach or violation by CGGC or CGGI of any of the terms, conditions or provisions of any Law which would, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect.

Section 4.06 **CAPITALIZATION.**

(a) The authorized capital of CGGC consists of an unlimited number of CGGC Class A Shares, CGGC Class B Shares and CGGC Common Shares. The authorized capital of CGGI consists of an unlimited number of common shares (the "**CGGI Common Shares**") and an unlimited number of Non-Voting Shares (together, the "**CGGI Shares**"). As of the date of this Agreement, 15,352,500 CGGC Class A Shares, 4,879,791 CGGC Class B Shares and 1 CGGI Common Share are issued and outstanding. All outstanding CGGC Shares and CGGI Shares have been duly authorized and validly issued, and are fully paid and non-assessable. All of the CGGC Shares issuable pursuant to the terms of outstanding CGGC Warrants and all of the Non-Voting Shares issuable in accordance with the outstanding Subscription Receipts have been duly authorized and, upon issuance in accordance with their respective terms, will be validly issued as fully paid and non-assessable and are not and will not be subject to or issued in violation of, any pre-emptive rights. No CGGC Shares, CGGI Shares, CGGC Warrants, CGGC Class A Restricted Voting Units, CGGC Class B Units or Subscription Receipts have been issued in violation of any Law or any pre-emptive or similar rights applicable to them.

(b) Except for the outstanding 16,185,833 CGGC Warrants, 15,352,500 CGGC Class A Shares, 4,879,791 CGGC Class B Shares, 1 CGGI Common Share and 37,000,000 Subscription Receipts there are no issued, outstanding or authorized options, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation or other rights, or any other agreements, arrangements, instruments or commitments of any kind that obligate CGGC or CGGI to, directly or indirectly, issue or sell any securities of CGGC or CGGI, or give any Person a right to subscribe for or acquire from CGGC or CGGI, any securities of CGGC or CGGI.

(c) As at the date of this Agreement, there are 16,185,833 CGGC Warrants and 37,000,000 Subscription Receipts issued and outstanding.

(d) Twenty-five percent (25%) of the Founders' Shares held by each of the Founders are subject to forfeiture by the Founders on the fifth anniversary of the Effective Time unless the closing share price of the CGGC Shares exceeds CDN$3.90 (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends (as defined in the Final IPO Prospectus), reorganizations and recapitalizations) for any twenty (20) trading days within a thirty-trading (30-trading) day period at any time following the Effective Time.

(e) Other than the rights of redemption provided to holders of CGGC Class A Shares, there are no issued, outstanding, contractual or authorized:

(i) obligations of CGGC or CGGI to repurchase, redeem or otherwise acquire any securities of CGGC or CGGI, or qualify securities for public distribution in Canada or elsewhere, or with respect to the voting or disposition of any securities of CGGC or CGGI; or

(ii) notes, bonds, debentures or other evidences of indebtedness or any other agreements, arrangements, instruments or commitments of any kind that give any Person, directly or indirectly, the right to vote with holders of CGGC Shares or CGGI Shares on any matter.

(f) CGGC has not declared or paid any dividends or distributions on its CGGC Shares since its incorporation.

(g) There are 37,000,000 Non-Voting Shares issuable pursuant to the terms of the Subscription Receipts and each Non-Voting Share shall be exchanged for one CGGC Class B Share pursuant to the CGGI Amalgamation

(h) An aggregate of CDN$46,057,500 is currently being held by the Escrow Agent pursuant to the terms of the Escrow Agreement and an aggregate of US$85,100,000 is currently being held in escrow by the Subscription Receipt Agent pursuant to the terms of the Subscription Receipt Agreement.

(i) All of the securities of CGGC and the Subscription Receipts and CGGI Shares had and will have the attributes and characteristics and confirm in all material respects with the respective descriptions thereof combined in the Final IPO Prospectus, the CGGC Circular or any other offering document used in connection with this offering, sale or delivery.

Section 4.07 **SHAREHOLDERS' AND SIMILAR AGREEMENTS**. There are no securities or other instruments or obligations of CGGC that carry the right to vote generally with the CGGC Shareholders on any matter. CGGC is not party to any shareholder, pooling, voting, or other similar arrangement or agreement relating to the ownership or voting of any of the securities of CGGC or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in CGGC and CGGC has not adopted a shareholder rights plan or any other similar plan or agreement.

Section 4.08 **SUBSIDIARIES**. CGGC does not have any subsidiaries other than CGGI.

Section 4.09 **QUALIFYING TRANSACTION**. The Col-Care Transaction constitutes the Qualifying Transaction of CGGC as required by, and within the meaning ascribed thereto in, the Exchange Listing Manual.

Section 4.10 **PROSPECTUS**. At the time of its filing with the CGGC Securities Authorities, the Prospectus will comply in all material respects with the requirements of the Securities Laws pursuant to which it will be prepared and, as applicable, filed and all the information and statements contained therein (except information and statements relating solely to Col-Care) will at the date of filing thereof be, true and correct, contain no Misrepresentation and constitute full, true and plain disclosure of all material facts relating to CGGC as required by applicable Securities Laws and no material fact or information will have been omitted from such disclosure (except information and statements relating solely to Col-Care) which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they are to be made.

Section 4.11 **SECURITIES LAW MATTERS.**

(a) The CGGC Class A Shares are listed and posted for trading on the Exchange and CGGC is not in default of the rules, regulations or policies of the Exchange. Neither CGGC nor CGGI is in breach of Securities Laws. Neither CGGC nor CGGI is subject to continuous or periodic, or other disclosure requirements under any Securities Laws in any jurisdiction other than the provinces and territories of Canada. No delisting, suspension of trading in or cease trade or other order or restriction with respect to

any securities of CGGC or CGGI and, no inquiry or investigation (formal or informal) of any Securities Authority, other Governmental Authority or the Exchange, is pending, in effect or ongoing or, to the Knowledge of CGGC, has been threatened or is expected to be implemented or undertaken, with regard to either CGGC or CGGI on their respective securities and to its Knowledge, neither CGGC nor CGGI is subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction.

(b) CGGC is a "reporting issuer" or the equivalent thereof in the each of the provinces and territories of Canada (other than Quebec) and not in default under applicable Securities Laws, and CGGC has complied in all material respects with applicable Securities Laws. CGGC has not taken any action to cease to be a reporting issuer in any province or territory nor has CGGC received notification from any Securities Authority seeking to revoke the reporting issuer status of CGGC. CGGI is not a reporting issuer (or its equivalent) in any jurisdiction.

(c) CGGC has timely filed or furnished all CGGC Filings required to be filed or furnished by CGGC with any Governmental Authority (including "documents affecting the rights of securityholders" and "material contracts" required to be filed by Part 12 of National Instrument 51-102 – *Continuous Disclosure Obligations*), as modified by the exemptive relief granted by the Securities Authorities in the Final IPO Prospectus. Each of the CGGC Filings complied as filed with Law and did not, as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such filing), contain any Misrepresentation.

(d) CGGC has not filed any confidential material change report (which at the date of this Agreement remains confidential) or any other confidential filings filed to or furnished with, as applicable, any Securities Authority. There are no outstanding or unresolved comments in comment letters from any Securities Authority with respect to any of the CGGC Filings and, to CGGC's Knowledge, none of CGGC, CGGI or any of the CGGC Filings is the subject of an ongoing audit, review, comment or investigation by any Securities Authority or other Governmental Authority.

(e) CGGC is a Foreign Private Issuer.

Section 4.12 **FINANCIAL STATEMENTS.**

(a) The audited financial statements of CGGC for the period from August 13 to August 14, 2018, (including the notes thereto and the auditor's report thereon) (the "**CGGC Financial Statements**") were, and any financial statements to be included or incorporated by reference in the Prospectus will be, prepared in accordance with IFRS consistently applied (except as otherwise indicated in such financial statements and the notes thereto and in the related report of CGGC's independent auditors, as the case may be) and fairly present or will fairly present in all material respects the consolidated financial position, results of operations and changes in financial position of CGGC as of the date thereof and for the period indicated therein.

(b) CGGC does not intend to correct or restate, nor to the Knowledge of CGGC, is there any basis for any correction or restatement of, any aspect of any of the financial statements referred to herein. The selected financial data and the summary financial information included in the CGGC Filings present fairly the information shown in the CGGC Filings and have been compiled on a basis consistent with that of the CGGC Financial Statements. The other financial and operational information included in the CGGC Filings presents fairly the information included in the CGGC Filings.

(c) There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of CGGC with unconsolidated entities or other Persons.

Section 4.13 **DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING**.

(a) CGGC has established and maintains or has caused to be established and maintained, a system of disclosure controls and procedures (as such term is defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) designed to provide reasonable assurance that information required to be disclosed by CGGC in its annual filings, interim filings or other reports filed or submitted by it under applicable Securities Laws is recorded, processed, summarized and reported within the time periods specified in applicable Securities Laws. Such disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by CGGC in its annual filings, interim filings or other reports filed or submitted under applicable Securities Laws is accumulated and communicated to CGGC's management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) CGGC has established and maintains or has caused to be established and maintained, a system of internal control over financial reporting (as such term is defined in National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

(c) There is no material weakness (as such term is defined in National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*) relating to the design, implementation or maintenance of its internal control over financial reporting, or fraud, whether or not material, that involves management or other employees who have a significant role in the internal control over financial reporting of CGGC.

(d) None of CGGC, or, to CGGC's Knowledge, any director or officer or auditor, accountant or representative of CGGC has received or otherwise obtained Knowledge of any material complaint, allegation, assertion, or claim, whether written or oral, regarding accounting, internal accounting controls or auditing matters, including any material complaint, allegation, assertion, or claim that CGGC has engaged in questionable accounting or auditing practices, or any expression of concern from its employees regarding questionable accounting or auditing matters.

Section 4.14 **AUDITORS**. The auditors of CGGC are independent public accountants as required by applicable Laws and there is not now, and never has been, any reportable event (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) with the present or any former auditors of CGGC.

Section 4.15 **NO UNDISCLOSED LIABILITIES**. There are no liabilities or obligations of CGGC of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than liabilities or obligations: (a) disclosed in the CGGC Filings; (b) incurred in the Ordinary Course since the date of the most recently filed CGGC Financial Statements; or (c) incurred in connection with this Agreement.

Section 4.16 **NON-ARMS' LENGTH TRANSACTIONS**. CGGC is not indebted to any director, officer or employee of CGGC or any of their respective Affiliates or Associates (except for amounts due in the Ordinary Course as salaries, bonuses and directors' fees or the reimbursement of Ordinary Course expenses). Except as disclosed in CGGC Filings, there are no Contracts with, or advances, loans, guarantees, liabilities or other obligations to, on behalf or for the benefit of, anyone.

Section 4.17 **CONTRACTS**. The Contracts which are material to CGGC or CGGI are and/or will be at the Effective Time in full force and effect, unamended as of the date hereof and thereof, and each such

Contract to which it is a party constitutes a valid and binding obligation of CGGC enforceable against it in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally, and except as limited by the application of equitable principles when equitable remedies are sought and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Law. CGGC and CGGI are in compliance with all Contracts which are material to CGGC or CGGI at the date of this Agreement. With the exception of this Agreement, the Warrant Agency Agreement, the Subscription Receipt Agreement, the agency agreement related to the offering of the Subscription Receipts and the underwriting agreement related to the initial public offering of CGGC Class A Restricted Voting Units, to the best of CGGC's Knowledge, there are or will be no other material contracts of or pertaining to CGGC or CGGI as of the date hereof or as of the Effective Time.

Section 4.18 **GOVERNMENTAL AUTHORIZATIONS**. CGGC has not received notice from any Governmental Authority of any jurisdiction in which it carries on a material part of its business, or owns or leases any material property, of any restriction on the ability of CGGC to, or of a requirement for CGGC to qualify to, nor is CGGC otherwise aware of any restriction on the ability of CGGC to, or of a requirement for it to qualify to, conduct its business or activities, as the case may be, in such jurisdiction.

Section 4.19 **LITIGATION**. There are no outstanding claims, actions, suits, litigation, arbitration, investigations or proceedings, whether or not purportedly on behalf of CGGC or CGGI, to which CGGC or CGGI is a party or to which CGGC's or CGGI's property is subject or, to the best of CGGC's Knowledge, proposed or threatened against CGGC or CGGI, at law or in equity, which, if determined adversely to CGGC or CGGI could result in the revocation, cancellation or suspension of any of CGGC's or CGGI's licenses or qualifications to carry on its activities or could otherwise have a Material Adverse Effect on CGGC or which may restrict or prohibit the ability of CGGC to perform its obligations hereunder or under any of the Material Contracts.

Section 4.20 **TAXES**.

(a) Each of CGGC and CGGI has paid all material Taxes (whether or not shown on any Tax Return) within the time required by applicable Law, and has paid all assessments it has received in respect of material Taxes.

(b) Each of CGGC and CGGI has filed or caused to be filed with the appropriate Governmental Authority, within the times and in the manner prescribed by applicable Law, all Tax Returns which are required to be filed by or with respect to it. The information contained in such Tax Returns is true and correct in all material respects and such Tax Returns reflect accurately all material liability for Taxes of each of CGGC and CGGI for the periods covered thereby.

(c) There are no claims, actions, suits, audits, proceedings, investigations, examinations or other actions pending or threatened in writing, or otherwise to CGGC's Knowledge, against CGGC or CGGI.

(d) Each of CGGC and CGGI has withheld and collected all material amounts required by applicable Law to be withheld or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Authority within the time prescribed under any applicable Law.

Section 4.21 **BROKERS**. Other than the fees paid and payable to investment bankers engaged by CGGC or CGGI in connection with the initial public offering of CGGC and the offering by CGGI of the Subscription Receipts and in connection with the transactions contemplated herein, the details of which have been disclosed to Col-Care, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of CGGC or CGGI.

Section 4.22 **CGGC BOARD APPROVAL**. The CGGC Board has unanimously: (a) determined that the Col-Care Transaction and this Agreement are fair to the holders of CGGC Shares and that the Col-Care Transaction and the subject matter of the CGGC Resolutions are in the best interests of CGGC; (b) resolved to recommend that the CGGC Shareholders vote in favour of the CGGC Resolutions; and (c) authorized the entering into of this Agreement and the performance by CGGC of its obligations under this Agreement, and no action has been taken to amend, or supersede such determinations, resolutions, or authorizations.

Section 4.23 **AGENTS**. Odyssey Trust Company, at its principal offices in Toronto, Ontario, has been duly appointed as (a) the Registrant and Transfer Agent for the CGGC Class A Shares, CGGC Class B Shares, Common Shares, and the CGGC Class A Restricted Voting Units, (b) the Warrant Agent under the Warrant Agency Agreement, and (c) the Subscription Receipts Agent under the Subscription Receipts Agreement.

Section 4.24 **COMPLIANCE**.

(a) None of CGGC, or, to the Knowledge of CGGC, any director, officer, agent, employee, affiliate or other Person acting on behalf of CGGC is aware of or has taken any action, directly or indirectly, that could result in a violation or a sanction for violation by such persons of the bribery provisions of the *Criminal Code* (Canada), the *Corruption of Foreign Public Officials Act* (Canada), the United States *Foreign Corrupt Practices Act of 1977* or the *U.K. Bribery Act 2010*, each as it may be amended, or similar Law of any other relevant jurisdiction; and CGGC has instituted and maintains policies and procedures to ensure compliance therewith. No part of the proceeds of any offering of the securities of CGGC has been or will be used, directly or indirectly, in violation of the bribery provisions of the *Criminal Code* (Canada), the *Corruption of Foreign Public Officials Act* (Canada), the United States *Foreign Corrupt Practices Act of 1977* or the *U.K. Bribery Act 2010*, each as it may be amended, or similar Law of any other relevant jurisdiction; the operations of CGGC are and have been conducted at all times in compliance with the Money Laundering Laws and no action, suit or proceeding by or before any Governmental Authority involving CGGC with respect to the Money Laundering Laws is pending or, to the Knowledge of CGGC, threatened;

(b) Neither CGGC nor, to the Knowledge of CGGC, any director, officer, agent, employee or Affiliate of CGGC (i) is, or is controlled or 50% or more owned in the aggregate by or is acting on behalf of, one or more individuals or entities that are currently the subject of any Sanctions, (ii) is located, organized or resident in a Sanctioned Country or (iii) will, directly or indirectly, use the proceeds of any offering of securities of CGGC, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or entity in any manner that would result in a violation of any Sanctions by, or could result in the imposition of Sanctions against, any individual or entity (including any individual or entity participating in the offering, whether as underwriter, advisor, investor or otherwise);

(c) CGGC has not engaged in any dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country, in the preceding three years, nor does CGGC have any plans to engage in dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country.

Section 4.25 **EMPLOYEES**.

(a) CGGC and its Subsidiaries have not engaged in any material unfair labour practice and, to the Knowledge of CGGC and its Subsidiaries, no material unfair labour practice complaint, grievance or arbitration proceeding is pending or threatened against CGGC or any of its Subsidiaries. CGGC and its Subsidiaries have been and are in material compliance with all employment Contracts and all Laws respecting employment, including employment standards, labour, health and safety, workers' compensation and human rights Laws.

(b) Each Person that performs services for CGGC or any of its Subsidiaries is properly classified as an employee or independent contractor of CGGC or any of its Subsidiaries under relevant Law and neither CGGC nor its Subsidiaries have received any notice from any Person or Governmental Authority disputing such classification.

(c) No employee providing services to CGGC or its Subsidiaries (i) who is required by Law to possess a permit or visa, is employed without a valid work permit or visa, or (ii) is employed pursuant to a work permit or visa that would be adversely affected by the transactions contemplated by this Agreement. CGGC and its Subsidiaries are in material compliance with applicable immigration Laws.

Section 4.26 **NO OTHER REPRESENTATIONS**. CGGC acknowledges and agrees that other than the representations and warranties expressly set forth in this Agreement, neither Col-Care nor any other Person has made or makes any other representation or warranty, written or oral, express or implied, at law or in equity, with respect to Col-Care or its Subsidiaries.

ARTICLE V

COVENANTS BETWEEN THE AGREEMENT DATE AND THE EFFECTIVE TIME

Section 5.01 **CONDUCT OF BUSINESS OF COL-CARE**.

(a) During the period commencing on the Agreement Date and ending on the earlier of (i) the Closing Date and (ii) the termination of this Agreement in accordance with its terms (such period, the "**Interim Period**"), except as otherwise expressly set forth in Section 5.01(a) of the Col-Care Disclosure Schedule, as required by applicable Law or as consented to in writing in advance by CGGC (such consent not to be unreasonably withheld or delayed), or as otherwise contemplated, permitted or required by this Agreement, Col-Care shall use its commercially reasonable efforts to carry on its business in all material respects in the Ordinary Course and use commercially reasonable efforts to preserve intact its current business organization, keep available the services of its current key officers and other key employees and maintain its existing material business relationships with customers, suppliers, distributors, licensors (of Intellectual Property material to the conduct of the business of Col-Care and its Subsidiaries as currently conducted), and others having material business dealings with the Col-Care Group.

(b) Notwithstanding Section 5.01(a), during the Interim Period, except as otherwise expressly set forth in Section 5.01(b) of the Col-Care Disclosure Schedule, as required by applicable Law or as consented to in writing in advance by CGGC (such consent not to be unreasonably withheld or delayed) or as otherwise contemplated, permitted or required by this Agreement, Col-Care shall not, directly or indirectly, do any of the following (it being understood that no action with respect to subject matters specifically addressed by this Section 5.01(b) shall be deemed a breach of Section 5.01(a)):

(i) amend any Constating Documents of the Col-Care Group in any respect that would be material to CGGC (other than as contemplated under this Agreement, in connection with the Col-Care Transaction);

(ii) Other than in respect of paying any Cash-Out Amounts, declare, set aside, make or pay any dividend or other distribution, whether payable in cash, shares, property or otherwise, in respect of Col-Care Ownership Interests or any securities of any of Col-Care's Subsidiaries;

(iii) sell, license, pledge, dispose of or lease any property, right or other asset (in each case, excluding Intellectual Property) to any Person, except in each case for properties, rights or assets: (A) sold, licensed, leased or disposed of by Col-Care in the Ordinary Course (including investment portfolio transactions and in accordance with Col-Care's growth strategy or any target acquisition or joint venture entered into by Col-Care prior to the Effective Time); or (B) that are not material to the business of Col-Care;

(iv) make any material change to its methods of accounting or accounting practices, except as required by U.S. GAAP or other applicable rules and regulations or otherwise required pursuant to the terms hereof;

(v) commence, settle, compromise or otherwise resolve any Proceeding, except: (A) with respect to routine matters in the Ordinary Course, (B) in such cases where the Col-Care Group reasonably determines in good faith that the failure to commence suit would result in a material impairment of a valuable aspect of its business, or (C) in connection with a breach of this Agreement or (D) if such Proceeding is in an amount of less than US$50,000,000.00;

(vi) authorize any of, or commit, resolve or agree in writing or otherwise to take any of, the foregoing actions.

Section 5.02 **CONDUCT OF BUSINESS OF CGGC**.

(a) During the Interim Period, except as required by applicable Law or as consented to in writing in advance by Col-Care (such consent not to be unreasonably withheld or delayed) or as otherwise contemplated, permitted or required by this Agreement, CGGC shall use its commercially reasonable efforts to carry on its business in all material respects in the Ordinary Course and use commercially reasonable efforts to preserve intact its current business organization and keep available the services of its current key officers and other key employees.

(b) Notwithstanding Section 5.02(a), during the Interim Period, except as required by applicable Law or as consented to in writing in advance by Col-Care (such consent not to be unreasonably withheld or delayed), or as otherwise contemplated, permitted or required by this Agreement, CGGC shall not, directly or indirectly, do any of the following (it being understood that no action with respect to subject matters specifically addressed by this Section 5.02(b) shall be deemed a breach of Section 5.02(a)):

(i) amend any Constating Documents of CGGC in any respect that would be material to Col-Care (other than as contemplated under this Agreement or in connection with the Col-Care Transaction);

(ii) (A) directly or indirectly issue, sell or grant any CGGC Shares or any other Equity Interests of CGGC other than on terms acceptable to Col-Care, acting reasonably, (B) redeem, purchase or otherwise reacquire any issued and outstanding CGGC Shares, except in connection with the redemption of Class A Restricted Voting Units in accordance with the share terms and as described in the Final IPO Prospectus, or (C) split, combine or reclassify any CGGC Shares, except as described in the Final IPO Prospectus;

(iii) make, by contribution to capital, property transfers, purchase of securities or otherwise, any investment (other than investments in marketable securities and cash equivalents) in any Person;

(iv) lend money to any Person;

(v) except for indebtedness for borrowed money not to exceed a maximum aggregate principal amount equal to the lesser of (i) ten percent (10%) of the gross proceeds raised from the issuance of CGGC Class A Restricted Voting Units by CGGC in connection with its initial public offering, and (ii) CDN$5 million, in accordance with the rules or proposed rules of the Exchange applicable to SPACs, incur any indebtedness for borrowed money (including by way of issuing any debt securities), or assume, guarantee or endorse, or otherwise as an accommodation become responsible for, any material indebtedness for borrowed money;

(vi) make any material changes to its methods of accounting or accounting practices, except as required by IFRS or Exchange rules and regulations;

(vii) commence, settle, compromise or otherwise resolve any Proceeding, except in connection with a breach of this Agreement;

(viii) (A) make, change or revoke any Tax election or adopt or change any method of Tax accounting, (B) settle or compromise any liability with respect to Taxes or surrender any claim for a refund of Taxes, (C) file any amended Tax Return or (D) consent to any extension or waiver of the limitations period applicable to any claim or assessment with respect to Taxes;

(ix) make any capital expenditure;

(x) (A) enter into or terminate (other than expiration in accordance with its terms) any CGGC Contract or other Contract that would constitute a CGGC Material Contract if entered into prior to the Agreement Date or (B) modify or amend or renew (other than renewal in accordance with its terms and in the Ordinary Course consistent with past practice), or waive any material right or remedy under, any CGGC Material Contract; or

(xi) authorize any of, or commit, resolve or agree in writing or otherwise to take any of, the foregoing actions.

(c) Subject to applicable Laws, effective as of the Effective Time, (i) all of the members of the CGGC Board shall resign, (ii) the members of the Col-Care Board shall be appointed as the directors of CGGC; and (iii) CGGC shall enter into new director and officer indemnity agreements in customary form, with each of its directors and officers; it being acknowledged by the Parties however, that the Parties may agree in writing to effect this outcome in another manner than as set in this Section 5.02(c).

(d) At or prior to the Effective Time, CGGC shall purchase a customary directors' and officers' liability insurance policy with coverage, and on terms, acceptable to CGGC and Col-Care, each acting reasonably.

(e) Prior to the Effective Time, CGGC shall cause the Sponsor and each director and senior officer of CGGC to vote all their CGGC Shares in favour of the CGGC Resolutions, and against any resolution that is inconsistent therewith, and to not redeem any of their CGGC Shares.

Section 5.03 **WAIVER OF CONFLICTS**. In connection with any dispute or Proceeding arising under or in connection with this Agreement, the Col-Care Transaction, the subject matter of the CGGC Resolutions, the CGGC Circular, any ancillary agreement or the transactions contemplated hereby or thereby (collectively, the "**Col-Care Transaction-Related Matters**"), (a) any manager, member, officer, employee, director or shareholder of Col-Care and/or any Subsidiary thereof shall have the right, at his, her or its election, to retain any of Eversheds Sutherland (US) LLP, Ropes & Gray LLP, Stikeman Elliott LLP or any other legal counsel which represented Col-Care or any Subsidiary thereof in connection with any Col-Care Transaction-Related Matters (the "**Col-Care Retained Firms**") to represent such manager, member, officer, employee, director or shareholder in connection with any dispute, Proceeding or related matter under or in connection with the Col-Care Transaction-Related Matters, and CGGC irrevocably consents to, and irrevocably waives, and agrees to cause each of its controlled Affiliates to irrevocably consent to and irrevocably waive, any conflict associated with any such representation in any such matter, and (b) any officer, employee, director, or shareholder of CGGC shall have the right, at his, her or its election, to retain any of Goodwin Procter LLP, Blake, Cassels & Graydon LLP or any other legal counsel which represented CGGC in connection with any Col-Care Transaction-Related Matters (the "**CGGC Retained Firms**") to represent such officer, employee, director, or shareholder in connection with any dispute, Proceeding or related matter under or in connection with the Col-Care Transaction-Related Matters, and Col-Care irrevocably consents to, and irrevocably waives, and agrees to cause each of its controlled Affiliates to irrevocably consent to and irrevocably waive, any conflict associated with any such representation in any such matter.

Section 5.04 **PRIVILEGED COMMUNICATIONS**.

(a) Col-Care hereby irrevocably acknowledges and agrees, on behalf of itself and its controlled Affiliates, that all attorney-client communications between, on the one hand, CGGC or any officer, employee, director, or shareholder of CGGC, and, on the other hand, the CGGC Retained Firms, that relate to the Col-Care Transaction-Related Matters, shall be deemed privileged communications as to which the attorney-client privilege and expectation as to client confidence belongs to and may be waived only by individuals who constituted a majority of the board of directors of CGGC immediately before the Effective Time; and Col-Care and its Affiliates (whether purporting to act on behalf of or through CGGC or otherwise) may not claim and will not obtain or use for any purpose any such privileged communications by any means or process without the consent of individuals who constituted a majority of the CGGC Board immediately before the Effective Time; provided that nothing in this Agreement shall prevent Col-Care and its Affiliates from obtaining or using any communications relating to the Col-Care Transaction-Related Matters as required under applicable Laws.

(b) CGGC hereby irrevocably acknowledges and agrees, on behalf of itself and its controlled Affiliates, that all attorney-client communications between, on the one hand, Col-Care or any of its Subsidiaries, or any manager, member, officer, employee, director or shareholder of Col-Care or any Subsidiary thereof and, on the other hand, the Col-Care Retained Firms, that relate to the Col-Care Transaction-Related Matters, shall be deemed privileged communications as to which the attorney-client privilege and expectation as to client confidence belongs to and may be waived only by individuals who constituted a majority of the board of directors of Col-Care immediately before the Effective Time; and CGGC and its Affiliates (whether purporting to act on behalf of or through Col-Care or otherwise) may not claim and will not obtain or use for any purpose any such privileged communications by any means or process without the consent of individuals who constituted a majority of the Col-Care Board immediately before the Effective Time; provided that nothing in this Agreement shall prevent CGGC from obtaining or using any communications relating to the Col-Care Transaction-Related Matters as required under applicable Laws.

Section 5.05 **COL-CARE NON-SOLICITATION**.

(a) Col-Care shall not, directly or indirectly, and shall (to the extent within its power) cause its Subsidiaries to not, through any officer, director or employee of Col-Care or its Subsidiaries, and shall use reasonable commercial efforts to ensure that Col-Care's Representatives (which, for greater certainty, excludes securityholders of Col-Care's Subsidiaries and their respective Representatives that are not acting in concert with, or with the assistance of, any of Col-Care's Representatives) do not, or otherwise, and shall not permit any such Person to:

(i) solicit, initiate, encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of Col-Care or its Subsidiaries or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or could reasonably be expected to lead to an Acquisition Proposal for Col-Care;

(ii) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than CGGC) regarding any inquiry, proposal or offer that constitutes or could reasonably be expected to lead to an Acquisition Proposal for Col-Care; provided that, for greater certainty, Col-Care may advise any Person making an unsolicited Acquisition Proposal for Col-Care that Col-Care is not permitted to pursue such Acquisition Proposal;

(iii) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal for Col-Care, provided that the Subsidiaries of Col-Care (and the directors, officers and employees of each Subsidiary in their capacity as Representatives of such Subsidiary) shall be permitted to refrain from taking any position with respect to an Acquisition Proposal; or

(iv) enter into or publicly propose to enter into any agreement in respect of an Acquisition Proposal for Col-Care.

(b) Col-Care shall, and shall use reasonable commercial efforts to cause Col-Care's Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities commenced prior to the Agreement Date with any Person (other than CGGC) with respect to any inquiry, proposal or offer that constitutes an Acquisition Proposal for Col-Care, and in connection with such termination shall:

(i) discontinue access to and disclosure of all information and any confidential information, properties, facilities, books and records of Col-Care and its Subsidiaries; and

(ii) request: (A) the return or destruction of all copies of any confidential information regarding Col-Care and its Subsidiaries provided to any Person who received such confidential information since June 30, 2018 (other than CGGC) in connection with a material disposition by Col-Care or any of its Subsidiaries, a sale of all or substantially all of the assets of Col-Care or any of its Subsidiaries or a financing

of Col-Care or any of its Subsidiaries, in each case, that constitutes or could reasonably be expected to lead to an Acquisition Proposal for Col-Care and (B) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding Col-Care and its Subsidiaries using its reasonable commercial efforts to ensure that such requests are fully complied with in accordance with the terms of any rights or entitlements of Col-Care and its Subsidiaries in respect thereof;

(c) Col-Care represents and warrants that it has not waived any confidentiality, standstill or similar agreement or restriction to which Col-Care or any Subsidiary of Col-Care is a party, except to permit submissions of expressions of interest prior to the Agreement Date, and covenants and agrees that (i) the Col-Care Group shall take all necessary action to enforce each confidentiality, standstill or similar agreement or restriction to which Col-Care or any Subsidiary is a party, and (ii) none of Col-Care, any Subsidiary of Col-Care or any of their respective Representatives have released or will, without the prior written consent of CGGC (which may be withheld or delayed in CGGC's sole and absolute discretion), release any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting Col-Care, or any of its Subsidiaries, under any confidentiality, standstill or similar agreement or restriction to which Col-Care or any Subsidiary is a party.

Section 5.06 **CGGC NON-SOLICITATION.**

(a) CGGC shall not, directly or indirectly, through any officer, director or employee of CGGC, and shall use reasonable commercial efforts to ensure that any of CGGC's Representatives do not, and shall not permit any such Person to:

(i) solicit, initiate, encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of CGGC or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or could reasonably be expected to lead to an Acquisition Proposal for CGGC;

(ii) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than Col-Care) regarding any inquiry, proposal or offer that constitutes or could reasonably be expected to lead to an Acquisition Proposal for CGGC; provided that, for greater certainty, CGGC may advise any Person making an unsolicited Acquisition Proposal for CGGC that CGGC is not permitted to pursue such Acquisition Proposal;

(iii) withdraw, amend or modify the CGGC Board Recommendation; or

(iv) enter into or publicly propose to enter into any agreement in respect of an Acquisition Proposal for CGGC.

(b) CGGC shall, and shall use reasonable commercial efforts to cause CGGC's Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations or other activities commenced prior to the Agreement Date with any Person (other than Col-Care) with respect to any inquiry, proposal or offer that constitutes an Acquisition Proposal for CGGC, and in connection with such termination shall:

(i) discontinue access to and disclosure of all information and any confidential information, properties, facilities, books and records of CGGC; and

(ii) request: (A) the return or destruction of all copies of any confidential information regarding CGGC provided to any Person who received such confidential information (other than Col-Care) and (B) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding CGGC using its reasonable commercial efforts to ensure that such requests are fully complied with in accordance with the terms of any rights or entitlements of CGGC in respect thereof.

Section 5.07 **BREACH BY REPRESENTATIVES**. Without limiting the generality of the foregoing: (a) any violation of the restrictions set forth in this Article V by CGGC's Representatives is deemed to be a breach of this Article V by CGGC; and (b) any violation of the restrictions set forth in this Article V by Col-Care's Representatives is deemed to be a breach of this Article V by Col-Care.

ARTICLE VI

ADDITIONAL AGREEMENTS

Section 6.01 **ACCESS TO INFORMATION; CONFIDENTIALITY**. During the Interim Period, subject to applicable Law, the Col-Care Group shall afford to CGGC, and to CGGC's Representatives, reasonable access, during normal business hours and upon reasonable prior notice to Col-Care, to all of the Col-Care Group's properties, personnel, Contracts, books and records as CGGC may from time to time reasonably request. Notwithstanding any of the foregoing, any such investigation or consultation shall be conducted in such a manner as not to interfere unreasonably with the business or operations of the Col-Care Group or otherwise result in any significant interference with the prompt and timely discharge by their employees or other Representatives of their normal duties. The Parties acknowledge that all information provided by or on behalf of the Col-Care Group or any of their Representatives in connection with this Agreement to CGGC or any of its Representatives shall be "Confidential Information" under the Confidentiality and Non-Disclosure Agreement, by and between CGGC and Col-Care, dated as of October 1, 2018 (the "**Confidentiality Agreement**"), which Confidentiality Agreement shall continue in full force and effect in accordance with its terms until the Effective Time and shall thereafter be terminated and of no further force and effect. Subject to Section 9.14, CGGC shall indemnify the Col-Care Group and their Affiliates and Representatives from, and hold the Col-Care Group and their Affiliates and Representatives harmless against, any and all claims, losses, liabilities, damages, judgments, inquiries, fines and reasonable fees, costs, expenses, including attorneys' fees and disbursements, and the cost of enforcing this indemnity arising out of or resulting from any breach of the Confidentiality Agreement provided pursuant to this Section 6.01.

Section 6.02 **APPROVALS.**

(a) Upon the terms and subject to the conditions set forth in this Agreement, each of the Parties agrees to cooperate with the other Party and use its reasonable best efforts (unless, with respect to any action, another standard of performance is expressly provided for herein) to promptly take, or cause to be taken, all actions and to do, or cause to be done, and to assist the other Party in doing, all things necessary, proper or advisable to consummate, as promptly as practicable, the Col-Care Transaction and the other transactions contemplated by this Agreement, including: (i) taking all actions necessary to cause (A) in the case of Col-Care, the conditions to effect the Col-Care Transaction set forth in Section 7.01 and Section 7.02 to be satisfied, or (B) in the case of CGGC, the conditions to effect the Col-Care Transaction set forth in Section 7.01 and Section 7.03 to be satisfied, in each case, as promptly as practicable; (ii) obtaining all

necessary Orders and Governmental Authorizations of any Governmental Authority, making all necessary registrations, declarations and filings with, and providing all necessary notices to, any Governmental Authority; (iii) executing and delivering any additional instruments necessary to consummate the Col-Care Transaction and the other transactions contemplated by this Agreement; and (iv) vigorously defending and contesting any Proceeding that would otherwise prevent or materially impede, interfere with, hinder or delay the consummation of the Col-Care Transaction and the other transactions contemplated by this Agreement. Additionally, except as mutually agreed, each of the Parties shall use reasonable best efforts to not take any action after the Agreement Date (including with respect to any acquisition by merger, consolidation, share, stock or asset purchase or otherwise, or the entry into any agreement with respect thereto) that would reasonably be expected to delay the obtaining of, or result in not obtaining, any Orders and Governmental Authorizations necessary to be obtained in order to satisfy the conditions set forth in Section 7.01.

(b) Each of the Parties shall use its reasonable best efforts to (i) cooperate in all respects with each other in connection with any filing, submission or written communication with a Governmental Authority in connection with the transactions contemplated by this Agreement and in connection with any investigation or other inquiry by or before a Governmental Authority relating to the transactions contemplated by this Agreement, including any Proceeding initiated by a private Person, and allow the other Party to review in advance and consider in good faith the views of the other Party with respect to such filing, submission, or written communication, (ii) keep the other Party informed in all material respects and on a reasonably timely basis of any material communication received by such Party from any Governmental Authority and of any material communication received or given in connection with any Proceeding by a private Person, in each case regarding any of the transactions contemplated by this Agreement, (iii) subject to applicable Laws relating to the exchange of information, and to the extent reasonably practicable, consult with the other Party with respect to information relating to the other Party and its Subsidiaries, as the case may be, that appears in any filing made with, or written materials submitted to, any third Person or any Governmental Authority in connection with the transactions contemplated by this Agreement, and (iv) to the extent permitted by any applicable Governmental Authority or other Person, give the other Party the opportunity to attend and participate in such meetings and conferences.

(c) If required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "**HSR Act**") and if the appropriate filing of a Pre-Merger Notification and Report Form pursuant to the HSR Act has not been filed prior to the date hereof, each Party agrees to make an appropriate filing of a Pre-Merger Notification and Report Form with respect to the transactions contemplated by this Agreement within twenty (20) Business Days after the date hereof, to request early termination of the applicable waiting period and to supply promptly any additional information and documentary material that may be requested pursuant to the HSR Act. The Parties will not take any action that will have the effect of delaying, impairing or impeding the receipt of any required approvals and shall promptly respond to any reasonable requests for additional information from any Governmental Authority or other third party in respect thereof. Col-Care shall pay all filing and related fees in connection with any such filings that must be made by any of the Parties under the HSR Act. Each of Col-Care and CGGC hereby covenants and agrees to use their respective commercially reasonable efforts to secure termination of any waiting periods under the HSR Act or any other applicable law and to obtain the approval of the Federal Trade Commission (the "**FTC**"), the Antitrust Division of the United States Department of Justice (the "**DOJ**") or any other Governmental Authority, as applicable, for the Col-Care Transaction and the other transactions contemplated hereby. Each Party will use its commercially reasonable efforts (which shall not include litigation) to resolve such objections, if any, as may be asserted with respect to the transactions contemplated by this Agreement under the HSR Act.

Section 6.03 **REORGANIZATION**

(a) In contemplation of the Col-Care Transaction, CGGC shall, and shall cause each of its respective Subsidiaries (collectively, the "**Reorganizing Party**") to continue under the BCBCA in accordance with the terms hereof (a "**Default Reorganization**").

(b) Col-Care is continuing to evaluate other potential jurisdictions in which CGGC could reorganize the business, operations and assets of the Reorganizing Party to further improve the tax efficiencies of the Col-Care Transaction and transactions contemplated herein (an "**Enhanced Reorganization**").

(c) The Reorganizing Party and Col-Care shall cooperate in structuring, planning and implementing any Default Reorganization or an Enhanced Reorganization (each a "**Reorganization**") and any Reorganization shall be reasonably satisfactory to the Reorganizing Party and Col-Care before any Reorganization is effected. For greater certainty, and subject to Section 6.03(e), the Reorganizing Party agrees, to the extent necessary or advisable, to seek the approval and authorization of the CGGC Shareholders at the CGGC Shareholder Meeting of any Reorganization upon the request of Col-Care.

(d) The implementation of any Reorganization pursuant to this Section 6.03 shall not be considered a breach of any covenant under this Agreement and shall not be considered in determining whether a representation or warranty of a Party hereunder has been breached; and

(e) Any Reorganization shall:

(i) be effected as close as reasonably practicable to the Effective Time; and

(ii) not impair the ability of the Parties to complete, or delay the completion of, the Col-Care Transaction, including any delay in the date of the CGGC Shareholder Meeting in accordance with Section 2.02(a).

(f) The Parties shall work cooperatively and use their respective commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Reorganization pursuant to Section 6.03(a). In addition, in contemplation of the Col-Care Transaction, each Party shall, and shall cause each of its respective Subsidiaries to, cooperate with the other Party in amending (an "**Amendment**") the closing mechanics of the Col-Care Transaction to improve the Canadian or U.S. federal income tax treatment of the Col-Care Transaction to Col-Care, CGGC or the Surviving Company and the Parties shall be permitted to take all necessary or desirable steps to effect any such Amendment.

Section 6.04 **COL-CARE OPTIONS**. Each Party shall use its best efforts to cause any lapse, expiration, cancellation, exercise, exchange or other disposition of any Col-Care Option (including any exchange of such Col-Care Option for a Replacement Option), and any other transaction that occurs or is deemed to occur for Tax purposes on account of such lapse, expiration, cancellation, exercise, exchange or other disposition, to be structured in a manner than would not result in any adverse Tax consequences to Col-Care or any of the Col-Care Members.

ARTICLE VII

CONDITIONS PRECEDENT

Section 7.01 **CONDITIONS TO EACH PARTY'S OBLIGATION TO EFFECT THE COL-CARE TRANSACTION**. The respective obligations of each Party to effect the Col-Care Transaction shall be subject to the satisfaction (or waiver by the Party entitled to the benefit thereof, to the extent permitted by applicable Law) at or prior to the Effective Time of the following conditions:

(a) Col-Care Resolution. The Col-Care Transaction Resolution shall have been approved and adopted by Col-Care Member Approval.

(b) CGGC Transaction Resolutions. The CGGC Transaction Resolutions shall have been approved and adopted by the CGGC Shareholders at the CGGC Shareholder Meeting.

(c) Exchange Approval. The approval of the Exchange shall have been obtained by CGGC to enable the Col-Care Transaction to qualify as CGGC's "qualifying transaction" and for the listing of the CGGC Common Shares on the Exchange after the Effective Time.

(d) Prospectus Receipt. A final receipt for the Prospectus shall have been issued by the CGGC Securities Authorities.

(e) Required Regulatory Approvals. All regulatory approvals set forth in Section 7.01(e) of the Col-Care Disclosure Schedule shall have been received or concluded on terms satisfactory to CGGC and Col-Care and without undue burden on either of them, each acting reasonably, and in each case without the imposition of any Restraint that would reasonably be expected to have a Material Adverse Effect, as applicable.

(f) No Injunction or Other Restraint. No Law or Order of a competent Governmental Authority (collectively, "**Restraints**") shall have been enacted, issued, promulgated, enforced or entered and shall continue to be in effect, in each case, that makes illegal, enjoins or otherwise prohibits the consummation of the Col-Care Transaction.

(g) Third Party Consents. The third party consents set forth in Section 7.01(g) of the Col-Care Disclosure Schedule shall have been obtained on terms satisfactory to CGGC and Col-Care, each acting reasonably.

(h) Conversion of CGGC Class A and CGGC Class B Shares. On or prior to the Effective Time, all of the existing CGGC Class A Shares and CGGC Class B Shares outstanding immediately prior to the Closing shall have been converted into Common Shares (the "**CGGC Share Conversion**") in accordance with the Constating Documents of CGGC as they shall have been amended to include the share terms set forth on Schedule "A".

(i) Amalgamation of CGGI and CGGC. On or prior to the Effective Time (but not earlier than the effective time of the CGGC Share Conversion), the amalgamation of CGGI and CGGC (the "**CGGI Amalgamation**") shall have occurred.

(j) Merger of CAP LLC and Col-Care. Prior to the Effective Time, the merger of CAP LLC and Col-Care shall have occurred.

(k) HSR Act. If applicable, the waiting period (and any extension thereof) applicable to the consummation of the Merger under the HSR Act shall have expired or been terminated.

Section 7.02 **CONDITIONS TO OBLIGATION OF CGGC TO EFFECT THE COL-CARE TRANSACTION**. The obligations of CGGC to effect the Col-Care Transaction shall be subject to the satisfaction (or waiver by CGGC, to the extent permitted by applicable Law) at or prior to the Effective Time of the following additional conditions:

(a) Representations and Warranties. The representations and warranties of Col-Care contained in this Agreement (without giving effect to any "materiality" or "Material Adverse Effect" qualifiers) shall be true and correct in all respects as of the Effective Time with the same effect as if made as of the Effective Time (other than such representations and warranties that are made as of a specified date, which representations and warranties shall be true and correct as of such specified date), except where the failure of any such representations and warranties to be so true and correct has not had a Material Adverse Effect.

(b) Performance of Obligations of Col-Care. Col-Care shall have performed or complied in all material respects with all of its obligations and covenants required to be performed or complied with by it under this Agreement at or prior to the Effective Time.

(c) Certificate. CGGC shall have received a certificate executed by the chief executive officer or chief financial officer of Col-Care, dated as of the Closing Date, certifying to the effect that the conditions set forth in Section 7.02(a) and Section 7.02(b) have been duly satisfied.

(d) US Tax Certifications. CGGC shall have received from Col-Care (i) an original and duly executed IRS Form W-9 and (ii) an original and duly executed certificate pursuant to Treasury Regulations § 1.1445-2(b) and Section 1446(f) of the Code certifying that Col-Care is not a foreign person within the meaning of Sections 1445 or 1446 of the Code. In addition, Col-Care shall have delivered (or be deemed to have delivered) to its Members which are not "United States persons" within the meaning of Code Section 7701(a)(30) a certificate, in accordance with Section 6.04 of IRS Notice 2018-29, issued by Col-Care and signed under penalties of perjury by an officer or manager of Col-Care no earlier than thirty (30) days before the Closing Date, certifying that if Col-Care had sold all of its assets at their fair market value (determined immediately following the Col-Care Contribution and Exchange), the amount of gain that would have been effectively connected with the conduct of a trade or business within the United States would be less than twenty-five percent (25%) of the total gain.

Section 7.03 **CONDITIONS TO OBLIGATION OF COL-CARE TO EFFECT THE COL-CARE TRANSACTION**. The obligations of Col-Care to effect the Col-Care Transaction shall be subject to the satisfaction (or waiver by Col-Care, to the extent permitted by applicable Law) at or prior to the Effective Time of the following additional conditions:

(a) Representations and Warranties. The representations and warranties of CGGC contained in this Agreement (without giving effect to any "materiality" or "Material Adverse Effect" qualifiers) shall be true and correct in all respects as of the Effective Time with the same effect as of made as of the Effective Time (other than such representations and warranties that are made as of a specified date, which representations and warranties shall be true and correct as of such specified date), except where the failure of any such representations and warranties to be so true and correct has not had an Material Adverse Effect.

(b) Performance of Obligations of CGGC. CGGC shall have performed or complied in all material respects with all its obligations and covenants required to be performed or complied with by it under this Agreement at or prior to the Effective Time.

(c) Fees and Expenses. As at the Effective Time, CGGC's total fees and expenses since its inception shall not have exceeded CDN$4,800,000.

(d) Certificate. Col-Care shall have received a certificate executed by the chief executive officer or chief financial officer of CGGC, dated as of the Closing Date, certifying to the effect that the conditions set forth in Section 7.03(a), and Section 7.03(b), have been duly satisfied.

(e) Available Cash. On or prior to the Effective Time: (i) the amounts payable in respect of CGGC Class A Shares in respect of which notices of redemption that have been deposited and not withdrawn; and (ii) the amount equal to the number of CGGC Class A Shares for which dissent rights have been validly exercised and not withdrawn multiplied by the redemption amount per CGGC Class A Share to which redeeming shareholders are entitled, shall not exceed, in the aggregate, an amount equal to CDN$7,000,000; provided that Col-Care agrees that its only remedy against CGGC in the event of a failure to satisfy the condition in this Section 7.03(e) shall be to waive this condition or to terminate this Agreement in accordance with, and subject to, the terms and conditions of Article VIII.

(f) CGGC Trading Price. The weighted average trading price of the CGGC Class A Restricted Voting Units during the ten (10) trading days ended two Business Days prior to the Closing Date shall be not less than $3.00 per CGGC Class A Restricted Voting Unit.

(g) Resignations. The actions contemplated by Section 5.02(c), or as otherwise agreed by the Parties, shall have been completed.

(h) Foreign Private Issuer. Immediately prior to the Effective Time, CGGC shall be a Foreign Private Issuer.

Section 7.04 **FRUSTRATION OF CLOSING CONDITIONS**. Notwithstanding anything herein to the contrary, (a) Col-Care may not rely on the failure of any condition set forth in Section 7.01 or Section 7.03 to be satisfied if such failure was caused by its failure to perform in all material respects any of its obligations under this Agreement, to act in good faith or to use its reasonable best efforts to consummate the Col-Care Transaction and the other transactions contemplated hereby, including as required by Section 6.02, and (b) CGGC may not rely on the failure of any condition set forth in Section 7.01 or Section 7.02 to be satisfied if such failure was caused by the failure of CGGC to perform in all material respects any of its obligations under this Agreement, to act in good faith or to use its reasonable best efforts to consummate the Col-Care Transaction and the other transactions contemplated hereby, including as required by Section 6.02.

ARTICLE VIII

TERM AND TERMINATION

Section 8.01 **TERM**. This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms (except if and to the extent any provisions are specifically noted herein as surviving the termination of this Agreement).

Section 8.02 **TERMINATION**. This Agreement may be terminated at any time prior to the Effective Time:

(a) by mutual written consent of CGGC and Col-Care;

(b) by either CGGC or Col-Care if:

(i) the Effective Time shall not have occurred on or before March 31, 2019 (the "**Outside Date**"); provided that, the right to terminate this Agreement pursuant to this Section 8.02(b)(i) shall not be available to any Party if the failure of the Effective Time to occur on or before the Outside Date is caused by a failure of such Party to perform any of its obligations under this Agreement required to be performed at or prior to the Effective Time and such action or failure to perform constitutes a breach in any material respect of this Agreement; or

(ii) a Governmental Authority of competent jurisdiction shall have issued a final and non-appealable Order having the effect of permanently restraining, enjoining or otherwise prohibiting the consummation of the Col-Care Transaction; provided that the right to terminate this Agreement pursuant to this Section 8.02(b)(ii) shall not be available to a Party if the issuance of such final, non-appealable Order is caused by a failure of such Party to perform or comply with any of its obligations or covenants under this Agreement; and provided, further that the Party seeking to terminate this Agreement pursuant to this Section 8.02(b)(ii) shall have complied with its obligations under Section 6.02 to prevent, oppose or remove such Order;

(c) by CGGC if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Col-Care under this Agreement occurs that would cause any condition in Section 7.02 not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date, and CGGC is not then in breach of this Agreement so as to cause any condition in Section 7.03 not to be satisfied, or any condition in Section 7.02 is otherwise not able to be satisfied; and

(d) by Col-Care if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of CGGC under this Agreement occurs that would cause any condition in Section 7.03 not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date, and Col-Care is not then in breach of this Agreement so as to cause any condition in Section 7.02 not to be satisfied, or any condition in Section 7.03 is otherwise not able to be satisfied.

Any Party terminating this Agreement pursuant to this Section 8.02 (other than Section 8.02(a)) shall give written notice of such termination to the other Party in accordance with this Agreement specifying the provision or provisions hereof pursuant to which such termination is being effected.

Section 8.03 **EFFECT OF TERMINATION**. In the event of termination of this Agreement pursuant to Section 8.02, this Agreement shall forthwith become null and void and of no effect, without any liability or obligation on the part of any Party (or any CGGC Related Party, Col-Care Related Party or any of their respective Representatives), whether arising before or after such termination, based on, arising out of or relating to this Agreement or the negotiation, execution, performance or subject matter hereof (whether in contract or in tort or otherwise, or whether at law or in equity); provided that the provisions of Article I (as applicable), Section 5.03, the last sentence of Section 6.01, this Article VIII and Article IX shall survive such termination.

ARTICLE IX

GENERAL PROVISIONS

Section 9.01 **NONSURVIVAL OF REPRESENTATIONS AND WARRANTIES**. None of the representations and warranties in this Agreement or in any instrument delivered pursuant to or in connection with this Agreement shall survive the Effective Time. This Section 9.01 shall not limit any covenants and agreements of the Parties that contemplate performance after the Effective Time or otherwise expressly by their terms survive the Effective Time, which, in each case, shall survive in accordance with their terms.

Section 9.02 **EXPENSES**. All fees and expenses incurred in connection with this Agreement, the Col-Care Transaction and the other transactions contemplated by this Agreement shall be paid by the Party incurring such fees or expenses, whether or not the Col-Care Transaction or any of the other transactions contemplated by this Agreement are consummated.

Section 9.03 **NOTICES**. All notices and other communications hereunder shall be in writing in one of the following formats and shall be deemed given: (a) upon actual delivery if personally delivered to the Party to be notified if received prior to 5:00 p.m. on a Business Day in the place of receipt, otherwise such notice or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt; (b) when sent if sent by email to the Party to be notified if received prior to 5:00 p.m. on a Business Day in the place of receipt, otherwise such notice or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt; provided that notice given by email shall not be effective unless (i) such notice specifically states that it is being delivered pursuant to this Agreement and (ii) either (A) a duplicate copy of such email notice is promptly given by one of the other methods described in this Section 9.03; or (B) the receiving Party delivers a written confirmation of receipt for such notice either by email (excluding "out of office" or similar automated replies) or any other method described in this Section 9.03; or (c) when delivered if sent by a courier (with confirmation of delivery) if received prior to 5:00 p.m. on a Business Day in the place of receipt, otherwise such notice or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt; in each case to the Party to be notified at the following address:

If to CGGC, to:

Canaccord Genuity Growth Corp.
161 Bay Street, Suite 3000
Toronto ON, Canada
M5J 2S1
Attention: Michael D. Shuh
Email: MShuh@canaccordgenuity.com

with copies (which shall not constitute notice) to:

Blake, Cassels & Graydon LLP
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9
Attention: Jeff Glass; Norbert Knutel
Email: jeff.glass@blakes.com
norbert.knutel@blakes.com

and

Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018
Attention: Thomas S. Levato
Email: Tlevato@goodwinlaw.com

if to Col-Care, to:

Columbia Care LLC
321 Billerica Road
Suite 204
Chelmsford, MA 01824
Attention: Mary Miller
Email: mmiller@col-care.com

with copies (which shall not constitute notice) to:

Eversheds Sutherland (US) LLP
999 Peachtree Street, NE
Atlanta, GA 30309
Attention: Wes Sheumaker; Michael Voynich
Email: wessheumaker@eversheds-sutherland.us
michaelvoynich@eversheds-sutherland.us

and

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto ON M5L 1B9
Attention: Martin Langlois; Ron Ferguson
Email: mlanglois@stikeman.com
rferguson@stikeman.com

Section 9.04 **ENTIRE AGREEMENT.** This Agreement (including the Schedules hereto and the Col-Care Disclosure Schedule), together with the Confidentiality Agreement, constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the Parties and their Affiliates, or any of them, with respect to the subject matter of this Agreement and the Confidentiality Agreement. Upon the Effective Time, the Confidentiality Agreement shall terminate.

Section 9.05 **AMENDMENT.** This Agreement may be amended by the Parties at any time prior to the Effective Time. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the Parties.

Section 9.06 **EXTENSION; WAIVER.** At any time prior to the Effective Time, the Parties may: (a) extend the time for the performance of any of the obligations or other acts of the other Parties; (b) to the extent permitted by applicable Law, waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto; or (c) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of any Party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

Section 9.07 **NO THIRD-PARTY BENEFICIARIES.** Neither this Agreement nor any other agreement contemplated hereby is intended to or shall confer upon any Person (including any Col-Care Related Party or CGGC Related Party) other than the Parties any legal or equitable rights or remedies. The representations and warranties in this Agreement are the product of negotiations among the Parties and are

for the sole benefit of the Parties. Any inaccuracies in such representations and warranties are subject to waiver by the Parties in accordance with Section 9.06 without notice or liability to any other Person. The representations and warranties in this Agreement may represent an allocation among the Parties of risks associated with particular matters.

Section 9.08 **ASSIGNMENT**. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part (by operation of law or otherwise), by either of the Parties without the prior written consent of the other Party, and any attempt to make any such assignment without such consent shall be null and void. Subject to the immediately preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns.

Section 9.09 **GOVERNING LAW**. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 9.10 **JURISDICTION**. In relation to any Proceedings to enforce this Agreement or arising out of or in connection with this Agreement, each of the Parties irrevocably submits to the exclusive jurisdiction of the Ontario courts and waives any objection to Proceedings in such courts on the grounds of venue or on the grounds that the Proceedings have been brought in an inappropriate forum.

Section 9.11 **SPECIFIC PERFORMANCE; REMEDIES**. The Parties agree that irreparable injury for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that either of the Parties does not perform any of the provisions of this Agreement (including failing to take such actions as are required of it hereunder to consummate this Agreement) in accordance with its specified terms or otherwise breach such provisions. Accordingly, the Parties acknowledge and agree that each of the Parties shall be entitled to seek an injunction, specific performance and other equitable relief to prevent or restrain breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions hereof and thereof, in addition to any other remedy to which they are entitled at law or in equity. Each of the Parties agrees that it will not oppose the granting of an injunction, specific performance or other equitable relief on the basis that the other Party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity. Any Party seeking an injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court having jurisdiction related to this Agreement as provided in Section 9.10 shall be entitled to such an injunction without the necessity of demonstrating damages or posting a bond or other security in connection with any such injunction. Each of CGGC, on the one hand, and Col-Care, on the other hand, hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by CGGC or Col-Care, as applicable, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of CGGC or Col-Care, as applicable, under this Agreement.

Section 9.12 **SEVERABILITY**. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

Section 9.13 **COUNTERPARTS; FACSIMILE AND ELECTRONIC SIGNATURES**. This Agreement may be executed in any number of counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party. This Agreement or any counterpart may be executed and delivered by facsimile copies or delivered by electronic communications by PDF, each of which shall be deemed an original.

Section 9.14 **WAIVER OF ACCESS TO ESCROW ACCOUNT**. Notwithstanding anything to the contrary in this Agreement, Col-Care hereby irrevocably waives and releases, and shall cause any Affiliate of Col-Care in connection with the Col-Care Transaction, to waive and release, on substantially similar terms, any and all right, title, interest, causes of action and claims of any kind, whether in tort or contract or otherwise (each, a "**Claim**"), in or to, and any and all right to seek payment of any amounts due to it in connection with the Col-Care Transaction or this Agreement, out of the Escrow Account, or from monies or other assets released from the Escrow Account that are payable to CGGC Shareholders or IPO Underwriters, and hereby irrevocably waives and releases any Claim it may have in the future, as a result of, or arising out of, this Agreement or the Col-Care Transaction, which Claim would reduce or encumber any monies or other assets released from the Escrow Account that are payable to CGGC Shareholders or IPO Underwriters, or to any monies or other assets in the Escrow Account, and further agrees not to seek recourse, reimbursement, payment or satisfaction of any Claim against the Escrow Account, any monies or other assets released from the Escrow Account that are payable to CGGC Shareholders or IPO Underwriters or any monies or other assets in the Escrow Account for any reason whatsoever or to bring any proceedings against the Escrow Account or the Escrow Agent.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

CANACCORD GENUITY GROWTH CORP.

By: (Signed) *Michael D. Shuh*
Name: Michael D. Shuh
Title: Chief Executive Officer

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

COLUMBIA CARE LLC

By: (Signed) *Nicholas Vita*
Name: Nicholas Vita
Title: Chief Executive Officer

Schedule "A"
Proposed Share Terms for CGGC

ARTICLE 1 - SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO COMMON SHARES

1.1 Voting

The holders of Common shares ("Common Shares") shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company except a meeting at which only the holders of another class or series of shares is entitled to vote. Each Common Share shall entitle the holder thereof to one vote at each such meeting.

1.2 Equality

Except as set out in this Article 1 and in Article 2, the Common Shares and Proportionate Voting Shares have the same rights and are equal in all respects and are treated by the Company as if they were shares of one class only.

1.3 Alteration to Rights of Common Shares

So long as any Common Shares remain outstanding, the Company will not, without the consent of the holders of Common Shares expressed by separate special resolution, alter or amend these Articles if the result of such alteration or amendment would:

(a) prejudice or interfere with any right or special right attached to the Common Shares; or

(b) affect the rights or special rights of the holders of Common Shares and Proportionate Voting Shares on a per share basis which differs from the basis of one (1) per share in the case of the Common Shares, and [one thousand (1000)] per share in the case of the Proportionate Voting Shares.

1.4 Dividends

Subject to the preferences accorded to the holders of the Preferred shares:

(a) The holders of Common Shares shall be entitled to receive such dividends payable in cash or property of the Company as may be declared thereon by the Board of Directors from time to time. The Board of Directors may declare no dividend payable in cash or property (other than a stock dividend payable in Common Shares) on the Common Shares unless the Board of Directors simultaneously declare a dividend payable in cash or property (other than a stock dividend payable in Common Shares or Proportionate Voting Shares) on the Proportionate Voting Shares in an amount per Proportionate Voting Share equal to the amount of the dividend declared per Common Share, multiplied by [one thousand (1000)], and each fraction of a Proportionate Voting Share will be entitled to the applicable fraction thereof.

(b) The Board of Directors may declare a stock dividend payable in Common Shares on the Common Shares, but only if the Board of Directors simultaneously declares a stock dividend payable in:

(i) Proportionate Voting Shares on the Proportionate Voting Shares, in a number of shares per Proportionate Voting Share (or fraction thereof) equal to the number of shares declared per Common Share (or fraction thereof); or

(ii) Common Shares on the Proportionate Voting Shares, in a number of shares per Proportionate Voting Share (or fraction thereof) equal to the number of shares declared per Common Share (or fraction thereof), multiplied by [one thousand (1000)].

1.5 Liquidation Rights

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company to its shareholders for the purposes of winding up its affairs, the holders of the Common Shares shall be entitled to participate pari passu with the holders of Proportionate Voting Shares on the basis that each Proportionate Voting Share will be entitled to the amount of such distribution per Common Share multiplied by [one thousand (1000)], and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount otherwise payable in respect of a whole Proportionate Voting Share, but only after the payment to the holders of the Preferred shares, in accordance with the preference on liquidation, dissolution or winding-up accorded to the holders of the Preferred shares.

1.6 Subdivision or Consolidation

The Common Shares shall not be consolidated or subdivided unless the Proportionate Voting Shares are simultaneously consolidated or subdivided utilizing the same divisor or multiplier.

1.7 Voluntary Conversion of Common Shares

Each Common Share shall be convertible at the option of the holder into such number of Proportionate Voting Shares as is determined by dividing the number of Common Shares being converted by [one thousand (1000)], provided the Board of Directors has approved such conversion.

Before any holder of Common Shares shall be entitled to voluntarily convert Common Shares into Proportionate Voting Shares in accordance with this Article 1.7, the holder shall surrender the certificate or certificates representing the Common Shares to be converted at the head office of the Company, or the office of any transfer agent for the Common Shares, and shall give written notice to the Company at its head office of his or her election to convert such Common Shares and shall state therein the name or names in which the certificate or certificates representing the Proportionate Voting Shares are to be issued (a “Common Shares Conversion Notice”). Provided that such conversion has been approved by the Board of Directors of the Company, the Company shall (or shall cause its transfer agent to) as soon as practicable thereafter, issue to such holder or his or her nominee, a certificate or certificates or direct registration statement representing the number of Proportionate Voting Shares to which such holder is entitled upon conversion. Provided that such conversion has been approved by the Board of Directors of the Company, such conversion shall be deemed to have taken place immediately prior to the close of business on the day on which the certificate or certificates representing the Common Shares to be converted is surrendered and the Common Shares Conversion Notice is delivered, and the person or persons entitled to receive the Proportionate Voting Shares issuable upon such conversion shall be treated for all purposes as the holder or holders of record of such Proportionate Voting Shares as of such date.

1.8 Conversion of Common Shares Upon An Offer

In the event that an offer is made to purchase Proportionate Voting Shares, and such offer is:

(a) required, pursuant to applicable securities legislation or the rules of any stock exchange on which the Proportionate Voting Shares may then be listed, to be made to all or substantially all of the holders of Proportionate Voting Shares in a province or territory of Canada to which the requirement applies (such offer to purchase, an “Offer”); and

(b) not made to the holders of Common Shares for consideration per Common Share equal to [.001] of the consideration offered per Proportionate Voting Share;

each Common Share shall become convertible at the option of the holder into Proportionate Voting Shares on the basis of [one thousand (1000)] Common Shares for one (1) Proportionate Voting Share, at any time while the Offer is in effect until one day after the time prescribed by applicable securities legislation or stock exchange rules for the offeror to take up and pay for such shares as are to be acquired pursuant to the Offer (the "Common Share Conversion Right"). For avoidance of doubt, fractions of Proportionate Voting Shares may be issued in respect of any amount of Common Shares in respect of which the Common Share Conversion Right is exercised which is less than [one thousand (1000)].

The Common Share Conversion Right may only be exercised for the purpose of depositing the Proportionate Voting Shares acquired upon conversion under such Offer, and for no other reason. If the Common Share Conversion Right is exercised, the Company shall procure that the transfer agent for the Common Shares shall deposit under such Offer the Proportionate Voting Shares acquired upon conversion, on behalf of the holder.

To exercise the Common Share Conversion Right, a holder of Common Shares or his or her attorney, duly authorized in writing, shall:

(i) give written notice of exercise of the Common Share Conversion Right to the transfer agent for the Common Shares, and of the number of Common Shares in respect of which the Common Share Conversion Right is being exercised;

(ii) deliver to the transfer agent for the Common Shares any share certificate or certificates representing the Common Shares in respect of which the Common Share Conversion Right is being exercised; and

(iii) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No certificates representing Proportionate Voting Shares acquired upon exercise of the Common Share Conversion Right will be delivered to the holders of Common Shares. If Proportionate Voting Shares issued upon such conversion and deposited under such Offer are withdrawn by such holder, or such Offer is abandoned, withdrawn or terminated by the offeror, or such Offer expires without the offeror taking up and paying for such Proportionate Voting Shares, such Proportionate Voting Shares and any fractions thereof issued shall automatically, without further action on the part of the holder thereof, be reconverted into Common Shares on the basis of one (1) Proportionate Voting Share for [one thousand (1000)] Common Shares, and the Company will procure that the transfer agent for the Common Shares shall send to such holder a direct registration statement, certificate or certificates representing the Common Shares acquired upon such reconversion. If the offeror under such Offer takes up and pays for the Proportionate Voting Shares acquired upon exercise of the Common Share Conversion Right, the Company shall procure that the transfer agent for the Common Shares shall deliver to the holders of such Proportionate Voting Shares the consideration paid for such Proportionate Voting Shares by such Offeror.

2.1 Voting

The holders of Proportionate Voting Shares shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company at which holders of Common Shares are entitled to vote. Subject to Article 2.3, each Proportionate Voting Share shall entitle the holder to [one thousand (1000)] votes and each fraction of a Proportionate Voting Share shall entitle the holder to the number of votes calculated by multiplying the fraction by [one thousand (1000)] and rounding the product down to the nearest whole number, at each such meeting.

2.2 Equality

Except as set out in Article 1 and in this Article 2, the Common Shares and Proportionate Voting Shares have the same rights and are equal in all respects and are treated by the Company as if they were shares of one class only.

2.3 Alteration to Rights of Proportionate Voting Shares

So long as any Proportionate Voting Shares remain outstanding, the Company will not, without the consent of the holders of Proportionate Voting Shares expressed by separate special resolution, alter or amend these Articles if the result of such alteration or amendment would:

(a) prejudice or interfere with any right or special right attached to the Proportionate Voting Shares; or

(b) affect the rights or special rights of the holders of Common Shares and Proportionate Voting Shares on a per share basis which differs from the basis of one (1) per share in the case of the Common Shares, and [one thousand (1000)] per share in the case of the Proportionate Voting Shares.

At any meeting of holders of Proportionate Voting Shares called to consider such a separate special resolution, each Proportionate Voting Share shall entitle the holder to one (1) vote and each fraction of a Proportionate Voting Share will entitle the holder to the corresponding fraction of one (1) vote.

2.4 Dividends

Subject to the preferences accorded to the holders of the Preferred shares:

(a) The holders of Proportionate Voting Shares shall be entitled to receive such dividends payable in cash or property of the Company as may be declared by the Board of Directors from time to time. The Board of Directors may declare no dividend payable in cash or property (other than a stock dividend payable in Common Shares or Proportionate Voting Shares) on the Proportionate Voting Shares unless the Board of Directors simultaneously declare a dividend payable in cash or property on the Common Shares (other than a stock dividend payable in Common Shares) in an amount equal to the amount of the dividend declared per Proportionate Voting Share divided by [one thousand (1000)].

(b) The Board of Directors may declare a stock dividend payable in Proportionate Voting Shares on the Proportionate Voting Shares or Common Shares on the Proportionate Voting Shares, but only if the Board of Directors simultaneously declares a stock dividend payable in:

(i) in the case of a stock dividend payable in Proportionate Voting Shares on the Proportionate Voting Shares (or fraction thereof), Common Shares on the Common Shares, in a number of shares per Common equal to the number of shares declared per Proportionate Voting Share (or fraction thereof); or

(ii) in the case of a stock dividend payable in Common Shares on the Proportionate Voting Shares (or fraction thereof), Common Shares on the Common Shares, in a number of shares per Common Share equal to the number of shares declared per Proportionate Voting Share (or fraction thereof), divided by [one thousand (1000)].

(c) Holders of fractional Proportionate Voting Shares shall be entitled to receive any dividend declared on the Proportionate Voting Shares, in an amount equal to the dividend per Proportionate Voting Share multiplied by the fraction thereof held by such holder.

2.5 Liquidation Rights

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company to its shareholders for the purpose of winding up its affairs, the holders of the Proportionate Voting Shares shall be entitled to participate pari passu with the holders of Common Shares on the basis that each Proportionate Voting Share will be entitled to the amount of such distribution per Common Share multiplied by [one thousand (1000)], and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount payable per whole Proportionate Voting Share, but only after payment to the holders of Preferred shares, in accordance with the preference on liquidation, dissolution or winding-up accorded to the holders of the Preferred shares.

2.6 Subdivision or Consolidation

The Proportionate Voting Shares shall not be consolidated or subdivided unless the Common Shares are simultaneously consolidated or subdivided utilizing the same divisor or multiplier.

2.7 Conversion

(a) Voluntary Conversion.

Subject to the limitation set forth in Article 2.7(a)(iv) (the “Conversion Limitation”), holders of Proportionate Voting Shares shall have the following rights of conversion (the “Proportionate Share Conversion Right”):

(i) Right to Convert. Each Proportionate Voting Share shall be convertible at the option of the holder into such number of Common Shares as is determined by multiplying the number of Proportionate Voting Shares in respect of which the Proportionate Share Conversion Right is exercised by [one thousand (1000)]. Fractions of Proportionate Voting Shares may be converted into such number of Common Shares as is determined by multiplying the fraction by [one thousand (1000)].

(ii) Conversion Limitation. Unless already appointed, upon receipt of a PVS Conversion Notice (as defined below), the Board of Directors (or a committee thereof) shall designate an officer of the Company who shall determine whether the Conversion Limitation set forth in this Article shall apply to the conversion referred to therein (the “Conversion Limitation Officer”).

(iii) Foreign Private Issuer Status. The Company shall use commercially reasonable efforts to maintain its status as a “foreign private issuer” (as determined in accordance with Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Accordingly, the Company shall not give effect to any voluntary conversion of Proportionate Voting Shares pursuant to this Article or otherwise, and the Proportionate Share Conversion Right will not apply, to the extent that after giving effect to all permitted issuances after such conversion of Proportionate Voting Shares, the aggregate number of Common Shares

and Proportionate Voting Shares (calculated on the basis that each Common Share and Proportionate Voting share is counted once, without regard to the number of votes carried by such share) held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Exchange Act ("U.S. Residents") would exceed forty percent (40%) (the "40% Threshold") of the aggregate number of Common Shares and Proportionate Voting Shares (calculated on the same basis) issued and outstanding (the "FPI Restriction") as calculated herein. The Board of Directors may by resolution increase the 40% Threshold to a number not to exceed fifty percent (50%), and if any such resolution is adopted, all references to the 40% Threshold herein shall refer instead to the amended percentage threshold set by the Board of Directors in such resolution, and the formula in Article 2.7(a)(iv) shall be adjusted to give effect to such amended percentage threshold.

(iv) Conversion Limitation. In order to give effect to the FPI Restriction, the number of Common Shares issuable to a holder of Proportionate Voting Shares upon exercise by such holder of the Proportionate Share Conversion Right will be subject to the 40% Threshold based on the number of Proportionate Voting Shares held by such holder as of the date of issuance of Proportionate Voting Shares to such holder, and thereafter at the end of each of the Company's subsequent fiscal quarters (each, a "Determination Date"), calculated as follows:

$$X = [(0.4A + 0.6D - B) / (0.6)] \times (C/D)$$

Where, on the Determination Date and prior to the exercise of such holder's Proportionate Share Conversion Right:

X = Maximum Number of Common Shares which may be issued upon exercise of the Proportionate Share Conversion Right.

A = Aggregate number of Common Shares and Proportionate Voting Shares issued and outstanding.

B = Aggregate number of Common Shares and Proportionate Voting Shares held of record, directly or indirectly, by U.S. Residents.

C = Aggregate Number of Proportionate Voting Shares held by such holder.

D = Aggregate Number of All Proportionate Voting Shares.

The Conversion Limitation Officer shall determine as of each Determination Date, in his or her sole discretion acting reasonably, the aggregate number of Common Shares and Proportionate Voting Shares held of record, directly or indirectly, by U.S. Residents, the maximum number of Common Shares which may be issued upon exercise of the Proportionate Share Conversion Right, generally in accordance with the formula set forth immediately above. Upon request by a holder of Proportionate Voting Shares, the Company will provide each holder of Proportionate Voting Shares with notice of such maximum number as at the most recent Determination Date, or a more recent date as may be determined by the Conversion Limitation Officer in its discretion. To the extent that issuances of Common Shares on exercise of the Proportionate Share Conversion Right would result in the 40% Threshold being exceeded, the number of Common Shares to be issued will be pro-rated among each holder of Proportionate Voting Shares exercising the Proportionate Share Conversion Right.

Notwithstanding the provisions of this Article 2.7(a) (iii) and (iv), the Board of Directors may by resolution waive the application of the Conversion Limitation to any exercise or exercises of the Proportionate Share Conversion Right to which the Conversion Limitation would otherwise apply, or to future Conversion Limitation generally, including with respect to a period of time.

(v) Disputes.

A. Any holder of Proportionate Voting Shares who beneficially owns more than 5% of the issued and outstanding Proportionate Voting Shares may submit a written dispute as to the calculation of the 40% Threshold or the FPI Restriction by the Conversion Limitation Officer to the Board of Directors with the basis for the disputed calculations. The Company shall respond to the holder within 5 (five) business days of receipt of the notice of such dispute with a written calculation of the 40% Threshold or the FPI Restriction, as applicable. If the holder and the Company are unable to agree upon such calculation of the 40% Threshold or the FPI Restriction, as applicable, within 5 (five) business days of such response, then the Company and the holder shall, within 1 (one) business day thereafter submit the disputed calculation of the 40% Threshold or the FPI Restriction to the Company's independent auditor or another firm of independent auditors selected by the Board. The Company, at the Company's expense, shall cause the auditor to perform the calculations in dispute and notify the Company and the holder of the results no later than 5 (five) business days from the time it receives the disputed calculations. The auditor's calculations shall be final and binding on all parties, absent demonstrable error.

B. In the event of a dispute as to the number of Common Shares issuable to a holder of Proportionate Voting Shares in connection with a voluntary conversion of Proportionate Voting Shares, the Company shall issue to the holder of Proportionate Voting Shares the number of Common Shares not in dispute, and resolve such dispute in accordance with Article 2.7(a)(v) (A).

(vi) Mechanics of Conversion. Before any holder of Proportionate Voting Shares shall be entitled to voluntarily convert Proportionate Voting Shares into Common Shares in accordance with this Article 2.7 (a), the holder shall surrender the certificate or certificates representing the Proportionate Voting Shares to be converted at the head office of the Company, or the office of any transfer agent for the Proportionate Voting Shares, and shall give written notice to the Company at its head office of his or her election to convert such Proportionate Voting Shares and shall state therein the name or names in which the certificate or certificates representing the Common Shares are to be issued (a "PVS Conversion Notice"). The Company shall (or shall cause its transfer agent to) as soon as practicable thereafter, issue to such holder or his or her nominee, a certificate or certificates or direct registration statement representing the number of Common Shares to which such holder is entitled upon conversion. Such conversion shall be deemed to have taken place immediately prior to the close of business on the day on which the certificate or certificates representing the Proportionate Voting Shares to be converted is surrendered and the PVS Conversion Notice is delivered, and the person or persons entitled to receive the Common Shares issuable upon such conversion shall be treated for all purposes as the holder or holders of record of such Common Shares as of such date.

(b) Mandatory Conversion.

(i) The Board of Directors may at any time determine by resolution (a "Mandatory Conversion Resolution") that it is no longer in the best interests of the Company that the Proportionate Voting Shares are maintained as a separate class of shares of the Company. If a Mandatory Conversion Resolution is adopted, then all issued and outstanding Proportionate Voting Shares will automatically, without any action on the part of the holder, be converted into Common Shares on the basis of one (1) Proportionate Voting Share for [one thousand (1000)] Common Shares, and in the case of fractions of Proportionate Voting Shares, such number of Common Shares as is determined by multiplying the fraction by [one thousand (1000)] as of a date to be specified in the Mandatory Conversion Resolution (the "Mandatory Conversion Record Date"). At least twenty (20) calendar days prior to the Mandatory Conversion Record Date, the Company will send, or cause its transfer agent to send, notice to each holder of Proportionate Voting Shares of the adoption of a Mandatory Conversion Resolution (a "Mandatory Conversion Notice") and specifying:

A. the Mandatory Conversion Record Date;

B. the number of Common Shares into which the Proportionate Voting Shares held by such holder are to be converted; and

C. the address of record of such holder.

On the Mandatory Conversion Record Date, the Company shall issue or shall cause its transfer agent to issue to each holder of Proportionate Voting Shares certificates representing the number of Common Shares into which the Proportionate Voting Shares are converted, and each certificate representing Proportionate Voting Shares shall be null and void.

(ii) From the date of the Mandatory Conversion Resolution, the Board of Directors shall no longer be entitled to issue any further Proportionate Voting Shares whatsoever.

(c) Fractional Shares. No fractional Common Shares shall be issued upon the conversion of any Proportionate Voting Shares or fractions thereof, and the number of Common Shares to be issued shall be rounded down to the nearest whole number. In the event Common Shares are converted into Proportionate Voting Shares the number of applicable Proportionate Voting Shares shall be rounded down to two decimal places.

(d) Effect of Conversion. All Proportionate Voting Shares which are converted as herein provided shall no longer be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion, except only for the right of the holders thereof to receive Common Shares in exchange therefor.

2.8 Transfer.

(a) Notwithstanding Article ☐, unless the Board of Directors have consented to such transfer, no Proportionate Voting Share may be transferred unless such transfer:

(i) is made to (A) an initial holder of Proportionate Voting Shares, or (B) an affiliate of, or person controlled, directly or indirectly, by, an initial holder of Proportionate Voting Shares (each, a “Permitted Holder”); and

(ii) complies with United States and other applicable securities laws, rules and regulations.

(b) Subject to the Conversion Limitation, any Proportionate Voting Shares sold or transferred to a Person who is not a Permitted Holder shall be automatically converted to Common Shares, unless otherwise determined by the Board of Directors.

For purposes of this Article 2.8:

(c) “affiliate” means, with respect to any Person, any other person which is directly or indirectly through one or more intermediaries controlled by, or under common control with, such Person.

(d) A Person is “controlled” by another person or other persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of Board of Directors carrying in the aggregate at least a majority of the votes for the election of Board of Directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or

Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the Board of Directors of such company or other body corporate; or (ii) in the case of a Person that is not an individual or a company or other body corporate, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; and "controls", "controlling" and "under common control with" shall be interpreted accordingly.

(e) "Person" means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company.

ARTICLE 3 - SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO PREFERRED SHARES

3.1 Issuance in Series

(a) The Board of Directors of the Company may at any time and from time to time issue the Preferred shares in one or more series.

(b) Subject to the Act and these Articles, the Board of Directors, if none of the Preferred shares of any particular series are issued, alter these Articles and authorize the alteration of the Notice of Articles of the Company, as the case may be, to do one or more of the following:

(i) determine the maximum number of shares of any of those series of Preferred shares that the Company is authorized to issue, determine that there is no such maximum number, or alter any determination made under this paragraph (i) or otherwise in relation to a maximum number of those shares;

(ii) create an identifying name by which the shares of any of those series of Preferred shares may be identified, or alter any identifying name created for those shares; and

(iii) attach special rights or restrictions to the shares of any of those series of Preferred shares or alter any special rights or restrictions attached to those shares, including, but without limiting or restricting the generality of the foregoing, special rights or restrictions with respect to:

A. the rate, amount, method of calculation and payment of any dividends, whether cumulative, partly cumulative or non-cumulative, and whether such rate, amount, method of calculation or payment is subject to change or adjustment in the future;

B. any rights upon a dissolution, liquidation or winding-up of the Company or upon any other return of capital or distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs;

C. any rights of redemption, retraction or purchase for cancellation and the prices and terms and conditions of any such rights;

D. any rights of conversion, exchange or reclassification and the terms and conditions of any such rights;

E. any voting rights and restrictions;

F. the terms and conditions of any share purchase plan or sinking fund;

G. restrictions respecting payment of dividends on, or the return of capital, repurchase or redemption of, any other shares of the Company; and

H. any other special rights or restrictions, not inconsistent with these share provisions, attaching to such series of Preferred shares.

(c) No special rights or restrictions attached to any series of Preferred shares will confer upon the shares of that series a priority over the shares of any other series of Preferred shares in respect of dividends or a return of capital in the event of the dissolution of the Company or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred shares to a return of capital. The Preferred shares of each series will, with respect to the payment of dividends and the distribution of assets or return of capital in the event of dissolution or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred shares to a return of capital, rank on a parity with the shares of every other series.

3.2 Class Rights or Restrictions

(a) Holders of Preferred shares will be entitled to preference with respect to payment of dividends over the Common Shares, the Proportionate Voting Shares and any other shares ranking junior to the Preferred shares with respect to payment of dividends.

(b) In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Preferred shares will be entitled to preference over the Common Shares, the Proportionate Voting Shares and any other shares ranking junior to the Preferred shares with respect to the repayment of capital paid up on and the payment of unpaid dividends accrued on the Preferred shares.

(c) The Preferred shares may also be given such other preferences over the Common shares, the Proportionate Voting Shares and any other shares ranking junior to the Preferred shares as may be fixed by Board of Directors' resolution as to the respective series authorized to be issued.

Schedule "B"

CERTIFICATE OF MERGER

OF

COLUMBIA CARE LLC

(a Delaware limited liability company)

WITH AND INTO

[MERGERSUB]

(a Delaware limited liability company)

Pursuant to Section 18-209 of the Delaware Limited Liability Company Act (the "DLLCA"), the undersigned limited liability company, organized and existing under and by virtue of the DLLCA, does hereby certify:

FIRST: That the parties to the merger (the "Constituent Companies") are Columbia Care LLC, a limited liability company organized and existing under the laws of the State of Delaware, and [MergerSub], a limited liability company organized and existing under the laws of the State of Delaware.

SECOND: That a Transaction Agreement, dated as of November 21, 2018 (the "Agreement"), by and among Canaccord Genuity Growth Corp., the sole member of [MergerSub] ("CGGC") and Columbia Care LLC and such Agreement constitutes a plan of merger within the meaning of subsection (a) of Section 18-209 of the DLLCA.

THIRD: That CGGC and each of the Constituent Companies has approved the Agreement in accordance with the requirements of subsection (b) of Section 18-209 of the DLLCA.

FOURTH: That the surviving limited liability company is [MergerSub] (the "Surviving Company"), a Delaware limited liability company.

FIFTH: That the name of the Surviving Company shall be [" "].

SIXTH: That this Certificate of Merger shall become effective upon the filing hereof with the Secretary of State of the State of Delaware (the "Effective Time").

SEVENTH: That the executed Agreement is on file at the principal place of business of the Surviving Company at [ ].

EIGHTH: That a copy of the executed Agreement will be furnished by the Surviving Company on request, without cost, to any member of the Constituent Companies.

IN WITNESS WHEREOF, [MergerSub] has caused this Certificate of Merger to be signed by its authorized officer on the __ day of ____, 20__.

[MERGERSUB]

(a Delaware limited liability company)

By: _____
Name:
Title:

Exhibit 3.1

Incorporation Number C1206445

ARTICLES

OF

COLUMBIA CARE INC.

BUSINESS CORPORATIONS ACT

BRITISH COLUMBIA

TABLE OF CONTENTS

Incorporation Number C1206445

ARTICLES

OF

COLUMBIA CARE INC.

(the "Company")

PART 1
INTERPRETATION

1.1 Definitions

In these Articles (the "**Articles**"), unless the context otherwise requires:

"**appropriate person**", has the meaning assigned in the *Securities Transfer Act*;

"**Board of Directors**", "**directors**" and "**board**" mean the directors of the Company for the time being;

"***Business Corporations Act***" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

"**Common Shares**" mean common shares in the capital of the Company;

"Interpretation Act" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

"**legal personal representative**" means the personal or other legal representative of a shareholder;

"**Preferred Shares**" means preferred shares in the capital of the Company;

"**Proportionate Voting Shares**" mean proportionate voting shares in the capital of the Company;

"**protected purchaser**" has the meaning assigned in the *Securities Transfer Act*;

"**registered address**" of a shareholder means the shareholder's address as recorded in the central securities register;

"**seal**" means the seal of the Company, if any;

"***Securities Act***" means the *Securities Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

"securities legislation" means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; **"Canadian securities legislation"** means the securities legislation in any province or territory of Canada and includes the *Securities Act;* and **"U.S. securities legislation"** means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934; and

***"Securities Transfer* Act"** means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the Business Corporations Act, the *Business Corporations Act* will prevail.

PART 2
SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act.*

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the *Business Corporations Act*, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company (including, the Company's legal counsel or transfer agent) is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the Company is satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, it must, on production to it of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as it thinks fit:

(a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and

(b) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

(a) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;

(b) provides the Company with an indemnity bond sufficient in the Company's judgement to protect the Company from any loss that the Company may suffer by issuing a new certificate; and

(c) satisfies any other reasonable requirements imposed by the Company.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

2.8 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.9 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Article 2.5, Article 2.6 or Article 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.10 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

PART 3
ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the Business *Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

(a) consideration is provided to the Company for the issue of the share by one or more of the following:

(i) past services performed for the Company;

(ii) property;

(iii) money; and

(b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the Business *Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

PART 4
SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the Business *Corporations Act*, the Company must maintain a central securities register, which may be kept in electronic form.

4.2 Appointment of Agent

The directors may, subject to the Business *Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

If the Company has appointed a transfer agent, references in Article 2.4, Article 2.5, Article 2.6, Article 2.7, Article 2.8, Article 2.9 and Article 5.7 to the Company include its transfer agent.

4.3 Closing Register

The Company must not at any time close its central securities register.

PART 5
SHARE TRANSFERS

5.1 Registering Transfers

The Company must register a transfer of a share of the Company if either:

(a) the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

(i) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;

(ii) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the *Business Corporations Act* and including the case where the Company has issued a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and

(iii) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser; or

(b) all the preconditions for a transfer of a share under the *Securities Transfer Act* have been met and the Company is required under the *Securities Transfer Act* to register the transfer.

5.2 Waivers of Requirements for Transfer

The Company may waive any of the requirements set out in Article 5.1(a) and any of the preconditions referred to in Article 5.1(b).

5.3 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the Company or the transfer agent for the class or series of shares to be transferred.

5.4 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.5 Signing of Instrument of Transfer

If a shareholder or other appropriate person or an agent who has actual authority to act on behalf of that person, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:

(a) in the name of the person named as transferee in that instrument of transfer; or

(b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.6 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.7 Transfer Fee

Subject to the applicable rules of any stock exchange on which the shares of the Company may be listed, there must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

PART 6
TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles and applicable securities legislation, if appropriate evidence of appointment or incumbency within the meaning of the *Securities Transfer Act* has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

PART 7
ACQUISITION OF COMPANY'S SHARES

7.1 Company Authorized to Purchase or Otherwise Acquire Shares

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares, the *Business Corporations Act* and applicable securities legislation, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2 No Purchase, Redemption or Other Acquisition When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(a) the Company is insolvent; or

(b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell or otherwise dispose of the share, but, while such share is held by the Company, it:

(a) is not entitled to vote the share at a meeting of its shareholders;

(b) must not pay a dividend in respect of the share; and

(c) must not make any other distribution in respect of the share.

PART 8
BORROWING POWERS

8.1 Borrowing Powers

The Company, if authorized by the directors, may:

(a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;

(b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;

(c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

PART 9
ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and Article 9.3, the special rights or restrictions attached to the shares of any class or series of shares and the *Business Corporations Act*, the Company may:

(1) by ordinary resolution:

(a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(c) if the Company is authorized to issue shares of a class of shares with par value:

(i) decrease the par value of those shares; or

(ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(d) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(e) alter the identifying name of any of its shares; or

(f) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act;*

and, if applicable, alter its Notice of Articles and Articles accordingly; or

(2) by resolution of the directors, subdivide or consolidate all or any of its unissued, or fully paid issued shares and if applicable, alter its Notice of Articles and, if applicable, its Articles accordingly.

9.2 Special Rights or Restrictions

Subject to the special rights or restrictions attached to any class or series of shares and the *Business Corporations Act*, the Company may by ordinary resolution:

(a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

9.3 No Interference with Class or Series Rights without Consent

A right or special right attached to issued shares must not be prejudiced or interfered with under the *Business Corporations Act*, the Notice of Articles or these Articles unless the holders of shares of the class or series of shares to which the right or special right is attached consent by a special separate resolution of the holders of such class or series of shares.

9.4 Change of Name

The Company may by directors' resolution or ordinary resolution authorize an alteration to its Notice of Articles in order to change its name.

9.5 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

PART 10
MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place, either in or outside British Columbia, as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual

general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders, to be held at such time and place, either in or outside British Columbia, as may be determined by the directors.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(a) if and for so long as the Company is a public company, 21 days;

(b) otherwise, 10 days.

10.5 Record Date for Notice and Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of, and to vote at, any meeting of shareholders.

10.6 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.7 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document,

have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.8 Class Meetings and Series Meetings of Shareholders

Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

10.9 Electronic Meetings

The directors may determine that a meeting of shareholders shall be held entirely by means of telephonic, electronic or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities, if the directors determine to make them available. A person participating in a meeting by such means is deemed to be present at the meeting.

10.10 Advance Notice Provisions

(1) **Nomination of Directors**

Subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the procedures set out in this Article 10.10 shall be eligible for election as directors to the Board of Directors of the Company. Nominations of persons for election to the board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting, as follows:

(a) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a valid proposal made in accordance with the provisions of the *Business Corporations Act* or a valid requisition of shareholders made in accordance with the provisions of the *Business Corporations Act;* or

(c) by any person entitled to vote at such meeting (a **"Nominating Shareholder"),** who:

(i) is, at the close of business on the date of giving notice provided for in this Article 10.10 and on the record date for notice of such meeting, either entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Company; and

(ii) has given timely notice in proper written form as set forth in this Article 10.10.

(2) **Exclusive Means**

For the avoidance of doubt, this Article 10.10 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Company.

(3) **Timely Notice**

In order for a nomination made by a Nominating Shareholder to be timely notice (a "**Timely Notice**"), the Nominating Shareholder's notice must be received by the corporate secretary of the Company at the principal executive offices or registered office of the Company:

(a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than 5:00 p.m. (Vancouver time) on the 30th day before the date of the meeting; provided, however, if the first public announcement made by the Company of the date of the meeting (each such date being the "**Notice Date**") is less than 50 days before the meeting date, notice by the Nominating Shareholder may be given not later than the close of business on the 15th day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the Notice Date;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of* a *Reporting* Issuer) is used for delivery of proxy related materials in respect of a meeting described in Article 10.10(3)(a) or Article 10.10(3)(b), and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting.

(4) **Proper Form of Notice**

To be in proper written form, a Nominating Shareholder's notice to the corporate secretary must comply with all the provisions of this Article 10.10 and disclose or include, as applicable:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "**Proposed Nominee**"):

(i) the name, age, business and residential address of the Proposed Nominee;

(ii) the principal occupation/business or employment of the Proposed Nominee, both presently and for the past five years;

(iii) the number of securities of each class of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(iv) full particulars of any relationships, agreements, arrangements or understandings (including financial, compensation or indemnity related) between the Proposed Nominee and the Nominating Shareholder, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;

(v) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the *Business Corporations Act* or applicable securities law; and

(vi) a written consent of each Proposed Nominee to being named as nominee and certifying that such Proposed Nominee is not disqualified from acting as director under the provisions of subsection 124(2) of the *Business Corporations Act;* and

(b) as to each Nominating Shareholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made:

(i) their name, business and residential address;

(ii) the number of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Company or any of its securities, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Company or the person's economic exposure to the Company;

(iv) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;

(v) full particulars of any proxy, contract, relationship arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board;

(vi) a representation that the Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;

(vii) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and

(viii) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* or as required by applicable securities law.

Reference to "**Nominating Shareholder**" in this Article 10.10(4) shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

(5) **Currency of Nominee Information**

All information to be provided in a Timely Notice pursuant to this Article 10.10 shall be provided as of the date of such notice. The Nominating Shareholder shall provide the Company with an update to such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days before the date of the meeting, or any adjournment or postponement thereof.

(6) **Delivery of Information**

Notwithstanding Part 23 of these Articles, any notice, or other document or information required to be given to the corporate secretary pursuant to this Article 10.10 may only be given by personal delivery or courier (but not by fax or email) to the corporate secretary at the address of the principal executive offices or registered office of the Company and shall be deemed to have been given and made on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. (Vancouver time) and otherwise on the next business day.

(7) **Defective Nomination Determination**

The chair of any meeting of shareholders of the Company shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Article 10.10, and if any proposed nomination is not in compliance with such provisions, must as soon as practicable following receipt of such nomination and prior to the meeting declare that such defective nomination shall not be considered at any meeting of shareholders.

(8) **Failure to Appear**

Despite any other provision of this Article 10.10, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Company to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Company.

(9) **Waiver**

The board may, in its sole discretion, waive any requirement in this Article 10.10.

(10) **Definitions**

For the purposes of this Article 10.10, "public announcement" means disclosure in a press release disseminated by the Company through a national news service in Canada, or in a document filed by the Company for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

PART 11
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

(a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of or voting at the meeting;

(ii) consideration of any financial statements of the Company presented to the meeting;

(iii) consideration of any reports of the directors or auditor;

(iv) the setting or changing of the number of directors;

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

(vii) the setting of the remuneration of an auditor;

(viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and

(ix) any non-binding advisory vote.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, a quorum for the transaction of business at a meeting of shareholders is present if shareholders who, in the aggregate, hold at least 25 % of the voting rights attached to issued shares entitled to be voted at the meeting are present in person or represented by proxy, irrespective of the number of persons actually present at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

(a) the quorum is one person who is, or who represents by proxy, that shareholder, and

(b) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the officers, any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(a) in the case of a meeting requisitioned by shareholders, the meeting is dissolved, and

(b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

(a) the chair of the board, if any; or

(b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the corporate secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Electronic Voting

Any vote at a meeting of shareholders may be held entirely or partially by means of telephonic, electronic or other communications facilities, if the directors determine to make them available, whether or not persons entitled to attend participate in the meeting by means of communications facilities.

11.14 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act:*

(a) for so long as Proportionate Voting Shares are outstanding, every motion put to a vote at a meeting of shareholders will be decided by a poll; and

(b) if no Proportionate Voting Shares are outstanding every motion put to a vote at a meeting of shareholders will be decided on a show of hands or the functional equivalent of a show of hands by means of electronic, telephonic or other communication facility, unless a poll, before or on the declaration of the result of the vote by show of hands or the functional equivalent of a show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.15 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands (or its functional equivalent) or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.14, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.16 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.17 Casting Vote

In the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.18 Manner of Taking Poll

Subject to Article 11.19, if a poll is required by these Articles or duly demanded at a meeting of shareholders:

(a) the poll must be taken:

(i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(ii) in the manner, at the time and at the place that the chair of the meeting directs;

(b) the result of the poll is deemed to be the decision of the meeting at which the poll is required or demanded; and

(c) if demanded, the demand for the poll may be withdrawn by the person who demanded it.

11.19 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.20 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.21 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.22 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.23 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

11.24 Retention of Ballots and Proxies

The Company or its agent must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company or its agent may destroy such ballots and proxies.

PART 12
VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(b) on a poll, every shareholder entitled to vote on the matter is entitled in respect of each share entitled to be voted on the matter and held by that shareholder, to that number of votes provided by the Articles or the *Business Corporations Act* for such share and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

(a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5 Representative of a Corporate Shareholder

(1) If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(a) for that purpose, the instrument appointing a representative must be received:

(i) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned or postponed meeting; or

(ii) at the meeting or any adjourned or postponed meeting, by the chair of the meeting or adjourned or postponed meeting or by a person designated by the chair of the meeting or adjourned or postponed meeting;

(b) if a representative is appointed under this Article 12.5:

(i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

(2) Evidence of the appointment of any such representative may be sent to the Company by written instrument or any other method of transmitting legibly recorded messages.

12.6 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;

(b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;

(c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or

(d) the Company is a public company.

12.7 When Proxy Provisions Do Not Apply to the Company

If and for so long as the Company is a public company, Articles 12.8 to 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

12.8 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy. The instructing of proxy holders may be carried out by means of telephonic, electronic or other communications facility in addition to or in substitution for instructing proxy holders by mail.

12.9 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.10 Deposit of Proxy

(1) A proxy for a meeting of shareholders must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting;

(b) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting; or

(c) be received in any other manner determined by the board or the chair of the meeting.

(2) A proxy may be sent to the Company by written instrument or any other method of transmitting legibly recorded messages or by using such available internet or telephone voting services as may be approved by the directors.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

Columbia Care Inc.

(the "**Company**")

The undersigned, being a shareholder of the Company, hereby appoints **[name]** or, failing that person, **[name]**, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on **[month, day, year]** and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned):

Signed **[month, day, year]**

[Signature of Shareholder]

[Name of shareholder – printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

(a) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

(a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

(b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.15.

12.15 Chair May Determine Validity of Proxy.

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

12.16 Production of Evidence of Authority to Vote

The board or the chair of any meeting of shareholders may, but need not, at any time (including before, at or subsequent to the meeting) inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence for the purposes of determining a person's share ownership as at the relevant record date and the authority to vote.

PART 13
DIRECTORS

13.1 Number of Directors

The Company shall have a minimum of three (3) and a maximum of fifteen (15) directors. The number of directors is the number within the minimum and maximum determined by the directors from time to time. If the number of directors has not been determined as provided in this section, the number of directors is the number of directors holding office immediately following the most recent election or appointment of directors, whether at an annual or special general meeting of the shareholders, or by the directors pursuant to Article 14.7.

13.2 Change in Number of Directors

(1) If the number of directors is set under Article 13.1:

(a) the shareholders may elect the directors needed to fill any vacancies in the Board of Directors up to that number; or

(b) the directors, subject to Article 14.7, may appoint directors to fill those vacancies.

(2) No decrease in the number of directors will shorten the term of an incumbent director.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of, or not in his or her capacity as, a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

PART 14
ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

(a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a Board of Directors consisting of the number of directors for the time being set by the directors under these Articles; and

(b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment, subject to being nominated in accordance with Article 10.10.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

(a) that individual consents to be a director in the manner provided for in the *Business Corporations Act;* or

(b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

14.3 Failure to Elect or Appoint Directors

If:

(a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act;* or

(b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

(c) then each director then in office continues to hold office until the earlier of:

(i) when his or her successor is elected or appointed; and

(ii) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the Board of Directors may be filled by the directors.

14.5 Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the Board of Directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the Board of Directors or, subject to the *Business Corporations* Act, for any other purpose.

14.6 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the Board of Directors.

14.7 Additional Directors

Notwithstanding Article 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.7 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.7.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a), but is eligible for re-election or re-appointment, subject to being nominated in accordance with Article 10.10.

14.8 Ceasing to be a Director

A director ceases to be a director when:

(a) the term of office of the director expires;

(b) the director dies;

(c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(d) the director is removed from office pursuant to Article 14.9 or Article 14.10.

14.9 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by ordinary resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.10 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company in accordance with the *Business Corporations Act* and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

PART 15
POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the Board of Directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 16
INTERESTS OF DIRECTORS AND OFFICERS

16.1 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.2 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.3 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations* Act, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

PART 17
PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

17.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

(a) the chair of the board, if any; or

(b) in the absence of the chair of the board, the president, if any, if the president is a director; or

(c) any other director chosen by the directors if:

(i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(iii) the chair of the board and the president, if a director, have advised the corporate secretary, if any, or any other director, that they will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

(a) in person;

(b) by telephone; or

(c) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person, or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 17.3 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

A director may, and the corporate secretary or an assistant corporate secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

17.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1 or as provided in Article 17.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone conversation with a director.

17.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director if:

(a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(b) the director has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director, does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings

(1) Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

(2) Attendance of a director at a meeting of the directors is a waiver of notice of the meeting, unless that director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

17.10 Quorum

The quorum necessary for the transaction of the business of the directors is a majority of the number of directors in office or such greater number as the directors may determine from time to time.

17.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

17.12 Consent Resolutions in Writing

(1) A resolution of the directors or of any committee of the directors may be passed without a meeting:

(a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

(2) A consent in writing under this Article 17.12 may be by any written instrument, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart

and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the Business *Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

PART 18
OTHER COMMITTEES

18.1 Appointment and Powers of Committees

The directors may, by resolution:

(a) appoint one or more committees consisting of the director or directors that they consider appropriate;

(b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:

(i) the power to fill vacancies in the Board of Directors;

(ii) the power to remove a director or appoint additional directors; (iii) the power to set the number of directors;

(iv) the power to create a committee of directors, create or modify the terms of reference for a committee of the directors, or change the membership of, or fill vacancies in, any committee of the directors;

(v) the power to appoint or remove officers appointed by the directors; and

(c) make any delegation permitted by paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

18.2 Obligations of Committees

Any committee appointed under Article 18.1, in the exercise of the powers delegated to it, must:

(a) Conform to any rules that may from time to time be imposed on it by the directors; and

(b) report every act or thing done in exercise of those powers at such times as the directors may require.

18.3 Powers of Board

The directors may, at any time, with respect to a committee appointed under Article 18,1:

(a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(b) terminate the appointment of, or change the membership of, the committee; and

(c) fill vacancies in the committee.

18.4 Committee Meetings

Subject to Article 18.2(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Article 18.1:

(a) the committee may meet and adjourn as it thinks proper;

(b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(c) a majority of the members of the committee constitutes a quorum of the committee; and

(d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

PART 19
OFFICERS

19.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

(a) determine the functions and duties of the officer;

(b) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act.* One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

19.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

PART 20
INDEMNIFICATION

20.1 Definitions

In this Part 20:

(a) **"eligible penalty"** means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(b) **"eligible proceeding"** means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director or former director or an officer or former officer of the Company (each, an "**eligible party**") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of the Company:

(i) is or may be joined as a party; or

(ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(c) **"expenses"** has the meaning set out in the *Business Corporations Act;*

(d) **"officer"** means an officer appointed by the Board of Directors.

20.2 Mandatory Indemnification of Directors and Officers

Subject to the *Business Corporations* Act, the Company must indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding to the fullest extent permitted by the *Business Corporations Act.*

20.3 Deemed Contract

Each director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in Article 20.2.

20.4 Permitted Indemnification

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person, including directors, officers, employees, agents and representatives of the Company.

20.5 Non-Compliance with *Business Corporations Act*

The failure of a director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part 20.

20.6 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

(a) is or was a director, officer, employee or agent of the Company;

(b) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(c) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(d) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, officer, employee or agent or person who holds or held such equivalent position.

PART 21
DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may consider appropriate.

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. (Vancouver time) on the date on which the directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation or entity, or in any one or more of those ways.

21.6 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

21.7 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.8 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.9 Dividend Bears No Interest

No dividend bears interest against the Company.

21.10 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.11 Payment of Dividends

Any dividend or other distribution payable in money in respect of shares may be paid;

(a) by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing; or

(b) by electronic transfer, if so authorized by the shareholder.

The mailing of such cheque or forwarding by electronic transfer will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.12 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

21.13 Unclaimed Dividends

Any dividend unclaimed after a period of three years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Company. The Company shall not be liable to any person in respect of any dividend which is forfeited to the Company or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

PART 22
ACCOUNTING RECORDS AND AUDITOR

22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

22.3 Remuneration of Auditor

The directors may set the remuneration of the auditor of the Company.

PART 23
NOTICES

23.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

(a) mail addressed to the person at the applicable address for that person as follows:

(i) for a record mailed to a shareholder, the shareholder's registered address;

(ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the mailing address of the intended recipient;

(b) delivery at the applicable address for that person as follows, addressed to the person:

(i) for a record delivered to a shareholder, the shareholder's registered address;

(ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the delivery address of the intended recipient;

(c) unless the intended recipient is the Company or auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(d) unless the intended recipient is the auditor of the Company, sending the record by e- mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;

(e) physical delivery to the intended recipient;

(f) creating and providing a record posted on or made available through a general accessible electronic source and providing written notice by any of the foregoing methods as to the availability of such record; or

(g) as otherwise permitted by applicable securities legislation.

23.2 Deemed Receipt

A notice, statement, report or other record that is:

(a) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;

(b) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;

(c) e-mailed to a person to the e-mail address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; and

(d) delivered in accordance with Article 23.1(f), is deemed to be received by the person on the day such written notice is sent.

23.3 Certificate of Sending

A certificate signed by the corporate secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 23.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(a) mailing the record, addressed to them:

(i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

23.6 Undelivered Notices

If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 23.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

PART 24
SEAL

24.1 Who May Attest Seal

Except as provided in Article 24.1(b) and Article 24.1(c), the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(a) any two directors;

(b) any officer, together with any director;

(c) if the Company only has one director, that director; or

(d) any one or more directors or officers or persons as may be determined by the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 24.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

PART 25
FORUM SELECTION

25.1 Forum for Adjudication of Certain Disputes

Unless the Company consents in writing to the selection of an alternative forum, the Supreme Court of British Columbia, Canada and the appellate Courts therefrom, shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action or proceeding asserting a claim of

breach of a fiduciary duty owed by any director, officer, or other employee of the Company to the Company; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the *Business Corporations Act* or these Articles (as either may be amended from time to time); or (iv) any action or proceeding asserting a claim otherwise related to the relationships among the Company, its affiliates and their respective shareholders, directors and/or officers, but this paragraph (iv) does not include claims related to the business carried on by the Company or such affiliates. If any action or proceeding the subject matter of which is within the scope of the preceding sentence is filed in a Court other than a Court located within the Province of British Columbia (a "**Foreign Action**") in the name of any securityholder, such securityholder shall be deemed to have consented to (i) the personal jurisdiction of the provincial and federal Courts located within the Province of British Columbia in connection with any action or proceeding brought in any such Court to enforce the preceding sentence and (ii) having service of process made upon such securityholder in any such action or proceeding by service upon such securityholder's counsel in the Foreign Action as agent for such securityholder.

PART 26
SPECIAL RIGHTS AND RESTRICTIONS

26.1 Common Shares

(1) **Voting**

The holders of Common shares ("**Common Shares**") shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company except a meeting at which only the holders of another class or series of shares is entitled to vote. Each Common Share shall entitle the holder thereof to one vote at each such meeting.

(2) **Equality**

Except as set out in this Article 26.1 and Article 26.2, the Common Shares and Proportionate Voting Shares have the same rights and are equal in all respects and are treated by the Company as if they were shares of one class only.

(3) **Alteration to Rights of Common Shares**

So long as any Common Shares remain outstanding, the Company will not, without the consent of the holders of Common Shares expressed by separate special resolution, alter or amend these Articles if the result of such alteration or amendment would:

(a) prejudice or interfere with any right or special right attached to the Common Shares; or

(b) affect the rights or special rights of the holders of Common Shares and Proportionate Voting Shares on a per share basis which differs from the basis of one (1) per share in the case of the Common Shares, and one hundred (100) per share in the case of the Proportionate Voting Shares.

(4) **Dividends**

Subject to the preferences accorded to the holders of the Preferred shares:

(a) The holders of Common Shares shall be entitled to receive such dividends payable in cash or property of the Company as may be declared thereon by the Board of Directors from time to time. The Board of Directors may declare no dividend payable in cash or property (other than a stock dividend payable in Common Shares) on the Common Shares unless the Board of Directors simultaneously declare a dividend payable in cash or property (other than a stock dividend payable in Common Shares or Proportionate Voting Shares) on the Proportionate Voting Shares in an amount per Proportionate Voting Share equal to the amount of the dividend declared per Common Share, multiplied by one hundred (100), and each fraction of a Proportionate Voting Share will be entitled to the applicable fraction thereof.

(b) The Board of Directors may declare a stock dividend payable in Common Shares on the Common Shares, but only if the Board of Directors simultaneously declares a stock dividend payable in:

(i) Proportionate Voting Shares on the Proportionate Voting Shares, in a number of shares per Proportionate Voting Share (or fraction thereof) equal to the number of shares declared per Common Share (or fraction thereof); or

(ii) Common Shares on the Proportionate Voting Shares, in a number of shares per Proportionate Voting Share (or fraction thereof) equal to the number of shares declared per Common Share (or fraction thereof), multiplied by one hundred (100).

(5) **Liquidation Rights**

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company to its shareholders for the purposes of winding up its affairs, the holders of the Common Shares shall be entitled to participate *pari passu* with the holders of Proportionate Voting Shares on the basis that each Proportionate Voting Share will be entitled to the amount of such distribution per Common Share multiplied by one hundred (100), and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount otherwise payable in respect of a whole Proportionate Voting Share, but only after the payment to the holders of the Preferred shares, in accordance with the preference on liquidation, dissolution or winding-up accorded to the holders of the Preferred shares.

(6) **Subdivision or Consolidation**

The Common Shares shall not be consolidated or subdivided unless the Proportionate Voting Shares are simultaneously consolidated or subdivided utilizing the same divisor or multiplier.

(7) **Voluntary Conversion of Common Shares**

Each Common Share shall be convertible at the option of the holder into such number of Proportionate Voting Shares as is determined by dividing the number of Common Shares being converted by one hundred (100), provided the Board of Directors has approved such conversion.

Before any holder of Common Shares shall be entitled to voluntarily convert Common Shares into Proportionate Voting Shares in accordance with this Section 26.1(7), the holder shall surrender the certificate or certificates representing the Common Shares to be converted at the head office of the Company, or the office of any transfer agent for the Common Shares, and shall give written notice to the Company at its head office of his or her election to convert such Common Shares and shall state therein the name or names in which the certificate or certificates representing the Proportionate Voting Shares are to be issued (a "**Common Shares Conversion Notice**"). Provided that such conversion has been approved by the Board of Directors of the Company, the Company shall (or shall cause its transfer agent to) as soon as practicable thereafter, issue to such holder or his or her nominee, a certificate or certificates or direct registration statement representing the number of Proportionate Voting Shares to which such holder is entitled upon conversion. Provided that such conversion has been approved by the Board of Directors of the Company, such conversion shall be deemed to have taken place immediately prior to the close of business on the day on which the certificate or certificates representing the Common Shares to be converted is surrendered and the Common Shares Conversion Notice is delivered, and the person or persons entitled to receive the Proportionate Voting Shares issuable upon such conversion shall be treated for all purposes as the holder or holders of record of such Proportionate Voting Shares as of such date.

(8) **Conversion of Common Shares Upon An Offer**

In the event that an offer is made to purchase Proportionate Voting Shares, and such offer is:

(a) required, pursuant to applicable securities legislation or the rules of any stock exchange on which the Proportionate Voting Shares may then be listed, to be made to all or substantially all of the holders of Proportionate Voting Shares in a province or territory of Canada to which the requirement applies (such offer to purchase, an "**Offer**"); and

(b) not made to the holders of Common Shares for consideration per Common Share equal to .01 of the consideration offered per Proportionate Voting Share;

each Common Share shall become convertible at the option of the holder into Proportionate Voting Shares on the basis of one hundred (100) Common Shares for one (1) Proportionate Voting Share, at any time while the Offer is in effect until one day after the time prescribed by applicable securities legislation or stock exchange rules for the offeror to take up and pay for such shares as are to be acquired pursuant to the Offer (the "**Common Share Conversion Right**"). For avoidance of doubt, fractions of Proportionate Voting Shares may be issued in respect of any amount of Common Shares in respect of which the Common Share Conversion Right is exercised which is less than one hundred (100).

The Common Share Conversion Right may only be exercised for the purpose of depositing the Proportionate Voting Shares acquired upon conversion under such Offer, and for no other reason. If the Common Share Conversion Right is exercised, the Company shall procure that the transfer agent for the Common Shares shall deposit under such Offer the Proportionate Voting Shares acquired upon conversion, on behalf of the holder.

To exercise the Common Share Conversion Right, a holder of Common Shares or his or her attorney, duly authorized in writing, shall:

(a) give written notice of exercise of the Common Share Conversion Right to the transfer agent for the Common Shares, and of the number of Common Shares in respect of which the Common Share Conversion Right is being exercised;

(b) deliver to the transfer agent for the Common Shares any share certificate or certificates representing the Common Shares in respect of which the Common Share Conversion Right is being exercised; and

(c) pay any applicable stamp tax or similar duty on or in respect of such conversion.

No certificates representing Proportionate Voting Shares acquired upon exercise of the Common Share Conversion Right will be delivered to the holders of Common Shares. If Proportionate Voting Shares issued upon such conversion and deposited under such Offer are withdrawn by such holder, or such Offer is abandoned, withdrawn or terminated by the offeror, or such Offer expires without the offeror taking up and paying for such Proportionate Voting Shares, such Proportionate Voting Shares and any fractions thereof issued shall automatically, without further action on the part of the holder thereof, be reconverted into Common Shares on the basis of one (1) Proportionate Voting Share for one hundred (100) Common Shares, and the Company will procure that the transfer agent for the Common Shares shall send to such holder a direct registration statement, certificate or certificates representing the Common Shares acquired upon such reconversion. If the offeror under such Offer takes up and pays for the Proportionate Voting Shares acquired upon exercise of the Common Share Conversion Right, the Company shall procure that the transfer agent for the Common Shares shall deliver to the holders of such Proportionate Voting Shares the consideration paid for such Proportionate Voting Shares by such Offeror.

26.2 Proportionate Voting Shares

(1) **Voting**

The holders of Proportionate Voting Shares shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company at which holders of Common Shares are entitled to vote. Subject to Section 26.2(3), each Proportionate Voting Share shall entitle the holder to one hundred (100) votes and each fraction of a Proportionate Voting Share shall entitle the holder to the number of votes calculated by multiplying the fraction by one hundred (100) and rounding the product down to the nearest whole number, at each such meeting.

(2) **Equality**

Except as set out in Article 26.1 and in this Article 26.2, the Common Shares and Proportionate Voting Shares have the same rights and are equal in all respects and are treated by the Company as if they were shares of one class only.

(3) **Alteration to Rights of Proportionate Voting Shares**

So long as any Proportionate Voting Shares remain outstanding, the Company will not, without the consent of the holders of Proportionate Voting Shares expressed by separate special resolution, alter or amend these Articles if the result of such alteration or amendment would:

(a) prejudice or interfere with any right or special right attached to the Proportionate Voting Shares; or

(b) affect the rights or special rights of the holders of Common Shares and Proportionate Voting Shares on a per share basis which differs from the basis of one (1) per share in the case of the Common Shares, and one hundred (100) per share in the case of the Proportionate Voting Shares.

At any meeting of holders of Proportionate Voting Shares called to consider such a separate special resolution, each Proportionate Voting Share shall entitle the holder to one (1) vote and each fraction of a Proportionate Voting Share will entitle the holder to the corresponding fraction of one (1) vote.

(4) **Dividends**

Subject to the preferences accorded to the holders of the Preferred shares:

(a) The holders of Proportionate Voting Shares shall be entitled to receive such dividends payable in cash or property of the Company as may be declared by the Board of Directors from time to time. The Board of Directors may declare no dividend payable in cash or property (other than a stock dividend payable in Common Shares or Proportionate Voting Shares) on the Proportionate Voting Shares unless the Board of Directors simultaneously declare a dividend payable in cash or property on the Common Shares (other than a stock dividend payable in Common Shares) in an amount equal to the amount of the dividend declared per Proportionate Voting Share divided by one hundred (100).

(b) The Board of Directors may declare a stock dividend payable in Proportionate Voting Shares on the Proportionate Voting Shares or Common Shares on the Proportionate Voting Shares, but only if the Board of Directors simultaneously declares a stock dividend payable in:

(i) in the case of a stock dividend payable in Proportionate Voting Shares on the Proportionate Voting Shares (or fraction thereof), Common Shares on the Common Shares, in a number of shares per Common equal to the number of shares declared per Proportionate Voting Share (or fraction thereof); or

(ii) in the case of a stock dividend payable in Common Shares on the Proportionate Voting Shares (or fraction thereof), Common Shares on the Common Shares, in a number of shares per Common Share equal to the number of shares declared per Proportionate Voting Share (or fraction thereof), divided by one hundred (100).

(c) Holders of fractional Proportionate Voting Shares shall be entitled to receive any dividend declared on the Proportionate Voting Shares, in an amount equal to the dividend per Proportionate Voting Share multiplied by the fraction thereof held by such holder.

(5) **Liquidation Rights**

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company to its shareholders for the purpose of winding up its affairs, the holders of the Proportionate Voting Shares shall be entitled to participate *pari passu* with the holders of Common Shares on the basis that each Proportionate Voting Share will be entitled to the amount of such distribution per Common Share multiplied by one hundred (100), and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount payable per whole Proportionate Voting Share, but only after payment to the holders of Preferred shares, in accordance with the preference on liquidation, dissolution or winding-up accorded to the holders of the Preferred shares.

(6) **Subdivision or Consolidation**

The Proportionate Voting Shares shall not be consolidated or subdivided unless the Common Shares are simultaneously consolidated or subdivided utilizing the same divisor or multiplier.

(7) **Conversion**

(a) **Voluntary Conversion.**

Subject to the limitation set forth in Section 26.2(7)(a)(iv) (the "**Conversion Limitation**"), holders of Proportionate Voting Shares shall have the following rights of conversion (the "**Proportionate Share Conversion Right**"):

(i) **Right to Convert.** Each Proportionate Voting Share shall be convertible at the option of the holder into such number of Common Shares as is determined by multiplying the number of Proportionate Voting Shares in respect of which the Proportionate Share Conversion Right is exercised by one hundred (100). Fractions of Proportionate Voting Shares may be converted into such number of Common Shares as is determined by multiplying the fraction by one hundred (100).

(ii) **Conversion Limitation.** Unless already appointed, upon receipt of a PVS Conversion Notice (as defined below), the Board of Directors (or a committee thereof) shall designate an officer of the Company who shall determine whether the Conversion Limitation set forth in this Article shall apply to the conversion referred to therein (the "**Conversion Limitation Officer**").

(iii) **Foreign Private Issuer Status.** The Company shall use commercially reasonable efforts to maintain its status as a "foreign private issuer" (as determined in accordance with Rule 3b-4 under the *Securities Exchange*

Act of 1934, as amended (the "**Exchange Act**"). Accordingly, the Company shall not give effect to any voluntary conversion of Proportionate Voting Shares pursuant to this Article or otherwise, and the Proportionate Share Conversion Right will not apply, to the extent that after giving effect to all permitted issuances after such conversion of Proportionate Voting Shares, the aggregate number of Common Shares and Proportionate Voting Shares (calculated on the basis that each Common Share and Proportionate Voting share is counted once, without regard to the number of votes carried by such share) held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Exchange Act ("**U.S. Residents**") would exceed forty percent (40%) (the "**40% Threshold**") of the aggregate number of Common Shares and Proportionate Voting Shares (calculated on the same basis) issued and outstanding (the "**FPI Restriction**") as calculated herein. The Board of Directors may by resolution increase the 40% Threshold to a number not to exceed fifty percent (50%), and if any such resolution is adopted, all references to the 40% Threshold herein shall refer instead to the amended percentage threshold set by the Board of Directors in such resolution, and the formula in Section 26.2(7)(a)(iv) shall be adjusted to give effect to such amended percentage threshold.

(iv) **Conversion Limitation**. In order to give effect to the FPI Restriction, the number of Common Shares issuable to a holder of Proportionate Voting Shares upon exercise by such holder of the Proportionate Share Conversion Right will be subject to the 40% Threshold based on the number of Proportionate Voting Shares held by such holder as of the date of issuance of Proportionate Voting Shares to such holder, and thereafter at the end of each of the Company's subsequent fiscal quarters (each, a "**Determination Date**"), calculated as follows:

X= [(0.4A + 0.6D - B) *I* (0.6)] x (C/D)

Where, on the Determination Date and prior to the exercise of such holder's Proportionate Share Conversion Right:

X = Maximum Number of Common Shares which may be issued upon exercise of the Proportionate Share Conversion Right.

A = Aggregate number of Common Shares and Proportionate Voting Shares issued and outstanding.

B = Aggregate number of Common Shares and Proportionate Voting Shares held of record, directly or indirectly, by U.S. Residents.

C = Aggregate Number of Proportionate Voting Shares held by such holder.

D = Aggregate Number of All Proportionate Voting Shares.

The Conversion Limitation Officer shall determine as of each Determination Date, in his or her sole discretion acting reasonably, the aggregate number of Common Shares and Proportionate Voting Shares held of record, directly or indirectly, by U.S. Residents, the maximum number of Common Shares which may be issued upon exercise of the Proportionate Share Conversion Right, generally in accordance with the formula set forth immediately above. Upon request by a holder of Proportionate Voting Shares, the Company will provide each holder of Proportionate Voting Shares with notice of such maximum number as at the most recent Determination Date, or a more recent date as may be determined by the Conversion Limitation Officer in its discretion. To the extent that issuances of Common Shares on exercise of the Proportionate Share Conversion Right would result in the 40% Threshold being exceeded, the number of Common Shares to be issued will be prorated among each holder of Proportionate Voting Shares exercising the Proportionate Share Conversion Right.

Notwithstanding the provisions of this Section 26.2(7)(a)(iii) and 26.2(7)(a)(iv), the Board of Directors may by resolution waive the application of the Conversion Limitation to any exercise or exercises of the Proportionate Share Conversion Right to which the Conversion Limitation would otherwise apply, or to future Conversion Limitation generally, including with respect to a period of time.

(v) Disputes.

(A) Any holder of Proportionate Voting Shares who beneficially owns more than 5% of the issued and outstanding Proportionate Voting Shares may submit a written dispute as to the calculation of the 40% Threshold or the FPI Restriction by the Conversion Limitation Officer to the Board of Directors with the basis for the disputed calculations. The Company shall respond to the holder within 5 (five) business days of receipt of the notice of such dispute with a written calculation of the 40% Threshold or the FPI Restriction, as applicable. If the holder and the Company are unable to agree upon such calculation of the 40% Threshold or the FPI Restriction, as applicable, within 5 (five) business days of such response, then the Company and the holder shall, within 1 (one) business day thereafter submit the disputed calculation of the 40% Threshold or the FPI Restriction to the Company’s independent auditor or another firm of independent auditors selected by the Board. The Company, at the Company’s expense, shall cause the auditor to perform the calculations in dispute and notify the Company and the holder of the results no later than 5 (five) business days from the time it receives the disputed calculations. The auditor’s calculations shall be final and binding on all parties, absent demonstrable error.

(B) In the event of a dispute as to the number of Common Shares issuable to a holder of Proportionate Voting Shares in connection

with a voluntary conversion of Proportionate Voting Shares, the Company shall issue to the holder of Proportionate Voting Shares the number of Common Shares not in dispute, and resolve such dispute in accordance with Section 26.2(7)(a)(v)(A).

(vi) **Mechanics of Conversion**. Before any holder of Proportionate Voting Shares shall be entitled to voluntarily convert Proportionate Voting Shares into Common Shares in accordance with this Section 26.2(7)(a), the holder shall surrender the certificate or certificates representing the Proportionate Voting Shares to be converted at the head office of the Company, or the office of any transfer agent for the Proportionate Voting Shares, and shall give written notice to the Company at its head office of his or her election to convert such Proportionate Voting Shares and shall state therein the name or names in which the certificate or certificates representing the Common Shares are to be issued (a "**PVS Conversion Notice**"). The Company shall (or shall cause its transfer agent to) as soon as practicable thereafter, issue to such holder or his or her nominee, a certificate or certificates or direct registration statement representing the number of Common Shares to which such holder is entitled upon conversion. Such conversion shall be deemed to have taken place immediately prior to the close of business on the day on which the certificate or certificates representing the Proportionate Voting Shares to be converted is surrendered and the PVS Conversion Notice is delivered, and the person or persons entitled to receive the Common Shares issuable upon such conversion shall be treated for all purposes as the holder or holders of record of such Common Shares as of such date.

(b) **Mandatory Conversion.**

(i) The Board of Directors may at any time determine by resolution (a "**Mandatory Conversion Resolution**") that it is no longer in the best interests of the Company that the Proportionate Voting Shares are maintained as a separate class of shares of the Company. If a Mandatory Conversion Resolution is adopted, then all issued and outstanding Proportionate Voting Shares will automatically, without any action on the part of the holder, be converted into Common Shares on the basis of one (1) Proportionate Voting Share for one hundred (100) Common Shares, and in the case of fractions of Proportionate Voting Shares, such number of Common Shares as is determined by multiplying the fraction by one hundred (100) as of a date to be specified in the Mandatory Conversion Resolution (the "**Mandatory Conversion Record Date**"). At least twenty (20) calendar days prior to the Mandatory Conversion Record Date, the Company will send, or cause its transfer agent to send, notice to each holder of Proportionate Voting Shares of the adoption of a Mandatory Conversion Resolution (a "**Mandatory Conversion Notice**") and specifying:

(A) the Mandatory Conversion Record Date;

(B) the number of Common Shares into which the Proportionate Voting Shares held by such holder are to be converted; and

(C) the address of record of such holder.

On the Mandatory Conversion Record Date, the Company shall issue or shall cause its transfer agent to issue to each holder of Proportionate Voting Shares certificates representing the number of Common Shares into which the Proportionate Voting Shares are converted, and each certificate representing Proportionate Voting Shares shall be null and void.

(ii) From the date of the Mandatory Conversion Resolution, the Board of Directors shall no longer be entitled to issue any further Proportionate Voting Shares whatsoever.

(c) **Fractional Shares.** No fractional Common Shares shall be issued upon the conversion of any Proportionate Voting Shares or fractions thereof, and the number of Common Shares to be issued shall be rounded down to the nearest whole number. In the event Common Shares are converted into Proportionate Voting Shares the number of applicable Proportionate Voting Shares shall be rounded down to two decimal places.

(d) **Effect of Conversion.** All Proportionate Voting Shares which are converted as herein provided shall no longer be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion, except only for the right of the holders thereof to receive Common Shares in exchange therefor.

(8) **Transfer.**

(a) Notwithstanding Article 5.2, unless the Board of Directors have consented to such transfer, no Proportionate Voting Share may be transferred unless such transfer:

(i) is made to (A) an initial holder of Proportionate Voting Shares, or (B) an affiliate of, or person controlled, directly or indirectly, by, an initial holder of Proportionate Voting Shares (each, a "**Permitted Holder**"); and

(ii) complies with United States and other applicable securities laws, rules and regulations.

(b) Subject to the Conversion Limitation, any Proportionate Voting Shares sold or transferred to a Person who is not a Permitted Holder shall be automatically converted to Common Shares, unless otherwise determined by the Board of Directors.

For purposes of this Section 26.2(8):

(c) "**affiliate**" means, with respect to any Person, any other person which is directly or indirectly through one or more intermediaries controlled by, or under common control with, such Person.

(d) A Person is "**controlled**" by another person or other persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of Board of Directors carrying in the aggregate at least a majority of the votes for the election of Board of Directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the Board of Directors of such company or other body corporate; or (ii) in the case of a Person that is not an individual or a company or other body corporate, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; and "controls", "controlling" and "under common control with" shall be interpreted accordingly.

(e) "**Person**" means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company.

26.3 Preferred Shares

(1) **Issuance in Series**

(a) The Board of Directors of the Company may at any time and from time to time issue the Preferred shares in one or more series.

(b) Subject to the Act and these Articles, the Board of Directors, if none of the Preferred shares of any particular series are issued, alter these Articles and authorize the alteration of the Notice of Articles of the Company, as the case may be, to do one or more of the following:

(i) determine the maximum number of shares of any of those series of Preferred shares that the Company is authorized to issue, determine that there is no such maximum number, or alter any determination made under this paragraph (i) or otherwise in relation to a maximum number of those shares;

(ii) create an identifying name by which the shares of any of those series of Preferred shares may be identified, or alter any identifying name created for those shares; and

(iii) attach special rights or restrictions to the shares of any of those series of Preferred shares or alter any special rights or restrictions attached to those shares, including, but without limiting or restricting the generality of the foregoing, special rights or restrictions with respect to:

(A) the rate, amount, method of calculation and payment of any dividends, whether cumulative, partly cumulative or non-cumulative, and whether such rate, amount, method of calculation or payment is subject to change or adjustment in the future;

(B) any rights upon a dissolution, liquidation or winding-up of the Company or upon any other return of capital or distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs;

(C) any rights of redemption, retraction or purchase for cancellation and the prices and terms and conditions of any such rights;

(D) any rights of conversion, exchange or reclassification and the terms and conditions of any such rights;

(E) any voting rights and restrictions;

(F) the terms and conditions of any share purchase plan or sinking fund;

(G) restrictions respecting payment of dividends on, or the return of capital, repurchase or redemption of, any other shares of the Company; and

(H) any other special rights or restrictions, not inconsistent with these share provisions, attaching to such series of Preferred shares.

(c) No special rights or restrictions attached to any series of Preferred shares will confer upon the shares of that series a priority over the shares of any other series of Preferred shares in respect of dividends or a return of capital in the event of the dissolution of the Company or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred shares to a return of capital. The Preferred shares of each series will, with respect to the payment of dividends and the distribution of assets or return of capital in the event of dissolution or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred shares to a return of capital, rank on a parity with the shares of every other series.

(2) **Class Rights or Restrictions**

(a) Holders of Preferred shares will be entitled to preference with respect to payment of dividends over the Common Shares, the Proportionate Voting Shares and any other shares ranking junior to the Preferred shares with respect to payment of dividends.

(b) In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Preferred shares will be entitled to preference over the Common Shares, the

Proportionate Voting Shares and any other shares ranking junior to the Preferred shares with respect to the repayment of capital paid up on and the payment of unpaid dividends accrued on the Preferred shares.

(c) The Preferred shares may also be given such other preferences over the Common shares, the Proportionate Voting Shares and any other shares ranking junior to the Preferred shares as may be fixed by Board of Directors' resolution as to the respective series authorized to be issued.

26.4 Redemption of Shares

(1) For the purposes of this Section 26.4, the following terms will have the meaning specified below:

"**Applicable Price**" means a price per Share determined by the Board of Directors, but not less than 95% of the lesser of: (i) the closing price of the Common Shares on the Exchange (or the then principal marketplace on which the Common Shares are listed or quoted for trading) on the trading day immediately prior to the closing of the Redemption or Transfer (or the average of the last bid and last asking prices if there was no trading on the specified date); and (ii) the five-day volume weighted average price of the Common Shares on the Exchange (or the then principal marketplace on which the Common Shares are listed or quoted for trading) for the five trading days immediately prior to the closing of the Redemption or Transfer (or the average of the last bid and last asking prices if there was no trading on the specified dates). Notwithstanding the foregoing, if the Common Shares are not traded or quoted for trading on the exchange or any other marketplace, the Applicable Price may be determined by the Board of Directors in its sole discretion;

"**Business**" means the conduct of any activities relating to the cultivation, manufacturing and dispensing of cannabis and cannabis-derived products, including in the United States or elsewhere, which include the owning and operating of cannabis licenses;

"**Closing Market Price**" shall be: (i) an amount equal to the closing price of the Common Shares on the trading day immediately prior to the closing of the Redemption or Transfer or exchange if there was a trade on the specified date and the applicable exchange or market provides a closing price; or (ii) an amount equal to the average of the last bid and last asking prices if there was no trading on the applicable date;

"**Determination Date**" means the date on which the Company provides written notice to any shareholder that the Board of Directors has determined that such shareholder is an Unsuitable Person;

"**Exchange**" means the Neo Exchange Inc. or any other stock exchange on which the Common Shares are listed;

"**Governmental Authority**" or "**Governmental Authorities**" means any United States or foreign, federal, provincial, state, county, regional, local or municipal government, any agency, administration, board, bureau, commission, department, service, or other instrumentality or political subdivision of the foregoing, and any Person with jurisdiction exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or monetary policy (including any court or arbitration authority) and any Exchange;

"**Licenses**" means all licenses, permits, approvals, orders, authorizations, registrations, findings of suitability, franchises, exemptions, waivers and entitlements issued by a Governmental Authority to or for the benefit of the Company or any affiliate required for, or relating to, the conduct of the Business;

"**Ownership**" (and derivatives thereof) means (i) ownership of record as evidenced in the Company's central securities register, (ii) "**beneficial ownership**" as defined in Section 1 of the *Business Corporations Act*, or (iii) the power to exercise control or direction over a security;

"**Person**" means an individual, partnership, corporation, company, limited or unlimited liability company, trust or any other entity;

"**Redemption**" has the meaning ascribed thereto in Section 26.4(8);

"**Redemption Date**" means the date on which the Company will redeem and pay for the Shares pursuant to Section 26.4. The Redemption Date will be not less than thirty (30) Trading Days following the date of the Redemption Notice unless a Governmental Authority requires that the Shares be redeemed as of an earlier date, in which case, the Redemption Date will be such earlier date and if there is an outstanding Redemption Notice, the Company will issue an amended Redemption Notice reflecting the new Redemption Date forthwith;

"**Redemption Notice**" has the meaning ascribed thereto in Section 26.4(9);

"**Significant Interest**" means Ownership of five percent (5%) or more of all of the issued and outstanding shares of the Company, including through acting jointly or in concert with another shareholder, or such other number of Shares as is determined by the Board from time to time;

"**Shares**" refers to Common Shares or Proportionate Voting Shares of the Company, as applicable;

"**Subject Shareholder**" means a person, a group of persons acting jointly or in concert or a group of persons who the Board of Directors reasonably determines are acting jointly or in concert;

"**Trading Day**" means a day on which trades of the Shares are executed on the Exchange or any other stock exchange on which the Shares are listed or quoted for trading;

"**Transfer**" has the meaning ascribed thereto in Section 26.4(8);

"**Transfer Date**" means the date on which a Transfer of Shares required by the Company is required to be completed by the Company;

"**Transfer Notice**" has the meaning ascribed thereto in 26.4(12); and

"**Unsuitable Person**" means:

(i) any person (including a Subject Shareholder) with a Significant Interest who a Governmental Authority granting the Licenses has determined to be unsuitable to own Shares;

(ii) any person (including a Subject Shareholder) with a Significant Interest whose ownership of Shares may result in the loss, suspension or revocation (or similar action) with respect to any Licenses or in the Company or any affiliate being unable to obtain any new Licenses in the normal course, including, but not limited to, as a result of such person's failure to apply for a suitability review from or to otherwise fail to comply with the requirements of a Governmental Authority, all as determined by the Board of Directors; or

(iii) who have not been determined by the applicable Governmental Authority to be an acceptable person or otherwise have not received the requisite consent of such Governing Authority to own the Shares within a reasonable period of time acceptable to the Board of Directors or prior to acquiring any Shares, as applicable.

(2) Subject to 26.4(4), no Subject Shareholder may acquire Shares that would result in the holding of a Significant Interest, directly or indirectly, in one or more transactions, without providing not less than 30 days' advance written notice (or such shorter period as the Board of Directors may approve) to the Company by written notice to the Company's head office to the attention of the Corporate Secretary and without having received all required approvals from all Governmental Authorities.

(3) If the Board of Directors reasonably believes that a Subject Shareholder may have failed to comply with any of the provisions of 26.4(2), the Company may, without prejudice to any other remedy hereunder, apply to the Supreme Court of British Columbia or another court of competent jurisdiction for an order directing that the Subject Shareholder disclose the number of Shares Owned.

(4) The provisions of Sections 26.4(2) and 26.4(3) will not apply to the Ownership, acquisition or disposition of Shares as a result of:

(a) any transfer of Shares occurring by operation of bankruptcy or insolvency law including, inter alia, the transfer of Shares of the Company to a trustee in bankruptcy;

(b) an acquisition or proposed acquisition by one or more underwriters or portfolio managers who hold Shares for the purposes of distribution to the public or for the benefit of a third party provided that such third party is in compliance with Section 26.4(2);

(c) the holding by a recognized clearing agency or recognized depositary in the ordinary course of its business; or

(d) the conversion, exchange or exercise of securities of the Company or an affiliate (other than the Shares) duly issued or granted by the Company or an affiliate, into or for Shares, in accordance with their respective terms.

(5) At the option of the Company and upon determination by the Board of Directors that an Unsuitable Person has not received the requisite approval of any Government Authority to own the shares, the Company may issue a notice prohibiting any Unsuitable Person

owning Shares from exercising any voting rights with respect to such Shares and on and after the Determination Date specified therein, and/or providing that such holder will cease to have any rights whatsoever with respect to such Shares, including any rights to the receipt of dividends from the Company, other than the right to receive the Applicable Price, without interest, on the Redemption Date or the Transfer Date, as applicable; provided, however, that if any such Shares come to be owned solely by persons other than an Unsuitable Person (such as by transfer of such Shares to a liquidating trust, subject to the approval of the Board of Directors and any applicable Governmental Authority), such persons may, in the discretion of the Board of Directors, exercise the voting and/or other rights attached to such Shares and the Board of Directors may determine, in its sole discretion, not to Redeem or require the Transfer of such Shares.

(6) Notwithstanding anything to the contrary contained herein, all transfers of Proportionate Voting Shares are subject to the terms of any agreement entered into in respect thereof and to the other provisions of Articles 26.1 and 26.2.

(7) Following any Redemption in accordance with the terms of this Section 26.4, the redeemed Shares will be cancelled.

(8) At the option, but not obligation, of the Company, and at the discretion of the Board of Directors, any Shares directly or indirectly owned by an Unsuitable Person may be (i) redeemed by the Company (for the Applicable Price) out of funds lawfully available on the Redemption Date (a "**Redemption**"), or (ii) required to be transferred to a third party for the Applicable Price and on such terms and conditions as the Board of Directors may direct (a "**Transfer**"). Shares to be redeemed or mandatorily transferred pursuant to this section will be redeemed or mandatorily transferred at any time and from time to time pursuant to the terms hereof.

(9) In the case of a Redemption, the Company will send a written notice to the holder of the Shares called for Redemption, which will set forth: (i) the Redemption Date, (ii) the number of Shares to be redeemed on the Redemption Date, (iii) the Applicable Price or the formula pursuant to which the Applicable Price will be determined and the manner of payment therefor, (iv) the place where such Shares (or certificate therefor, as applicable) must be surrendered, or accompanied by proper instruments of transfer (and if so determined by the Board of Directors, together with a medallion signature guarantee), and (v) any other requirement of surrender of the Shares to be redeemed (the "**Redemption Notice**"). The Redemption Notice may be conditional such that the Company need not redeem the Shares owned by an Unsuitable Person on the Redemption Date if the Board of Directors determines, in its sole discretion, that such Redemption is no longer advisable or necessary on or before the Redemption Date. If applicable, the Company will send a written notice confirming the amount of the Applicable Price promptly following the determination of such Applicable Price.

(10) Upon receipt by the Unsuitable Person of a Redemption Notice in accordance with Section 26.4(9) and surrender of the relevant Share certificate, if applicable, the holder of the Shares tendered for redemption (together with the applicable transfer documents) shall be entitled to receive the Applicable Price per redeemed Share.

(11) The Applicable Price payable in respect of the Shares surrendered for Redemption during any calendar month shall be satisfied by way of cash payment no later than the

last day of the calendar month following the month in which the Shares were tendered for Redemption. Payments made by the Company of the cash portion of the Applicable Price, less any applicable taxes and any costs to the Company of the Redemption, are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the Unsuitable Person unless such cheque is dishonoured upon presentment. Upon such payment, the Company shall be discharged from all liability to the former Unsuitable Person in respect of the redeemed Shares.

(12) In the case of a required Transfer, the Company will send a written notice to the holder of the Shares in question, which will set forth: (i) the Transfer Date, (ii) the number of Shares to be Transferred on the Transfer Date, (iii) the Applicable Price or the formula pursuant to which the Applicable Price will be determined and the manner of payment therefor, (iv) the place where such Shares (or certificate therefor, as applicable) must be surrendered, accompanied by proper instruments of transfer (and if so determined by the Board of Directors, together with a medallion signature guarantee), and (v) any other requirement in respect of the Shares to be Transferred, which may without limitation include a requirement to dispose of the Shares via the Exchange to a person who would not be in violation of the provisions of this Section 26.4(12) (the "**Transfer Notice**"). The Transfer Notice may be conditional such that the Company need not require the Transfer of the Shares owned by an Unsuitable Person on the Transfer Date if the Board of Directors determines, in its sole discretion, that such Transfer is no longer advisable or necessary on or before the Transfer Date. If applicable, the Company will send a written notice confirming the amount of the Applicable Price promptly following the determination of such Applicable Price.

(13) Upon receipt by the Unsuitable Person of a Transfer Notice in accordance with Section 26.4(12) and surrender of the relevant Share certificate, if applicable (together with applicable Transfer documents), the holder of the Shares tendered for Transfer shall be entitled to receive the Applicable Price per Transferred Share.

(14) The Applicable Price payable in respect of the Shares surrendered for Transfer during any calendar month shall be satisfied, less any costs to the Company of the Transfer, by way of cash payment no later than the last day of the calendar month following the month in which the Shares were tendered for Transfer. Payments made by the Company of the cash portion of the Applicable Price, less any applicable taxes and any costs to the Company of the Transfer, are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the Unsuitable Person unless such cheque is dishonoured upon presentment. Upon such payment, the Company shall be discharged from all liability to the former Unsuitable Person in respect of the Transferred Shares.

(15) If Shares are required to be Transferred under Section 26.4(12), the former owner of the Shares immediately before the Transfer shall by that Transfer be divested of their interest or right in the Shares, and the person who, but for the Transfer, would be the registered owner of the Shares or a person who satisfies the Company that, but for the Transfer, they could properly be treated as the registered owner or registered holder of the Shares shall, from the time of the Transfer, be entitled to receive only the Applicable Price per Transferred Share, without interest, less any applicable taxes and any costs to the Company of the Transfer.

(16) Following the sending of any Redemption Notice or Transfer Notice, and prior to the completion of the Redemption or Transfer specified therein, the Company may refuse to recognize any other disposition of the Shares in question.

(17) If the Company does not know the address of the former holder of Shares Transferred or Redeemed hereunder, it may retain the amount payable to the former holder thereof, title to which shall revert to the Company if not claimed within two (2) years (and at that time all rights thereto shall belong to the Company).

(18) To the extent required by applicable laws, the Company may deduct and withhold any tax from the Applicable Price. To the extent any amounts are so withheld and are timely remitted to the applicable Governmental Authority, such amounts shall be treated for all purposes herein as having been paid to the Person in respect of which such deduction and withholding was made.

(19) All notices given by the Company to holders of Shares pursuant to this Schedule, including a Redemption Notice or Transfer Notice, will be in writing and will be deemed given when delivered by personal service, overnight courier or first-class mail, postage prepaid, to the holder's registered address as shown on the Company's share register.

(20) The Company's right to Redeem or Transfer Shares pursuant to this Section 26.4 will not be exclusive of any other right the Company may have or hereafter acquire under any agreement or any provision of the notice of articles or the articles of the Company or otherwise with respect to the Shares or any restrictions on holders thereof.

(21) in connection with the conduct of its or its affiliates' Business, the Company may require that a Subject Shareholder provide to one or more Governmental Authorities, if and when required, information and fingerprints for a criminal background check, individual history form(s), and other information required in connection with applications for Licenses.

(22) The Board of Directors can waive any provision of this Section 26.4.

(23) In the event that any provision (or portion of a provision) of this Section 26.4 or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of Section 26.4 (including the remainder of such provision, as applicable) will continue in full force and effect.

Signature of a Director

Exhibit 4.1

CANACCORD GENUITY GROWTH CORP.

as the Corporation

and

ODYSSEY TRUST COMPANY

as the Warrant Agent

WARRANT AGENCY AGREEMENT

September 20, 2018

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WARRANT AGENCY AGREEMENT

THIS AGREEMENT made as of September 20, 2018

BETWEEN:

CANACCORD GENUITY GROWTH CORP., a corporation incorporated under the laws of the Province of Ontario (the **"Corporation")**

AND

ODYSSEY TRUST COMPANY, a trust company incorporated under the *Loan and Trust Corporations Act* (Alberta) with an office in the City of Calgary in the Province of Alberta (the **"Warrant Agent")**

WHEREAS:

A. All capitalized terms used in these recitals and not otherwise defined have the meanings ascribed to them in Section 1.1 below.

B. In connection with the Offering, the Corporation has filed a (final) prospectus dated, September 13, 2018 (the **"Prospectus"**) qualifying for distribution 13,350,000 Class A Restricted Voting Units (or up to a maximum of 15,352,500 Class A Restricted Voting Units, to the extent the Over-Allotment Option is exercised), each Class A Restricted Voting Unit consisting of one Class A Restricted Voting Share and one Warrant.

C. In conjunction with the Offering, the Corporation intends to sell an aggregate of 833,333 Class B Units to the Sponsor, each Class B Unit consisting of one Class B Share and one Warrant.

D. Following the closing of the Qualifying Transaction, each Class A Restricted Voting Share (unless previously redeemed) under its current terms (as of the date hereof) will, and each Class B Share will, be automatically converted into one Common Share.

E. Each Warrant entitles the Holder thereof to receive, upon payment by the Holder of the Exercise Price, and subject to adjustment and penalties in certain circumstances, one Class A Restricted Voting Share. The Warrants become exercisable commencing on the date that is 65 days following the date of the closing of the Qualifying Transaction (the **"Commencement Time"**) (at which time, as the remaining Class A Restricted Voting Shares would under their current terms (as of the date hereof) have been automatically converted into Common Shares, each Warrant would be exercisable for one Common Share) and terminating at the Expiry Time upon the terms and conditions herein set forth.

F. The Corporation is duly authorized to create and issue the Warrants to be issued as provided herein.

G. All things necessary have been done and performed to make the Warrants, when Authenticated by the Warrant Agent and issued as provided in this Agreement, legal, valid and binding obligations of the Corporation with the benefits of and subject to the terms of this Agreement.

H. The foregoing recitals are made as representations and statements of fact by the Corporation and not by the Warrant Agent.

I. The Warrant Agent has agreed to enter into this Agreement and to hold all rights, interests and benefits contained herein for and on behalf of those Persons who from time to time become holders of Warrants issued pursuant to this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration mutually given and received, the receipt and sufficiency of which are hereby acknowledged by each of the Corporation and the Warrant Agent, the Corporation appoints the Warrant Agent as warrant agent to hold all rights, interests and benefits contained in this Agreement for and on behalf of those Persons who from time to time become holders of Warrants issued pursuant to this Agreement, and the parties hereby covenant, agree and declare as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

In this Agreement, including the recitals and schedules hereto, the following words and phrases shall have the following meanings:

"Acceleration Event" shall have the meaning ascribed thereto in Section 4.3;

"Acquiring Person" shall have the meaning ascribed thereto in Section 5.1(1)(e)(i);

"Agreement" or **"this Agreement"** means this warrant agency agreement dated as of the date hereof between the Corporation and the Warrant Agent;

"Articles" means the articles of incorporation of the Corporation dated August 13, 2018 as amended by the articles of amendment dated September 13, 2018, as may be further amended from time to time;

"Authenticated" means (a) with respect to the issuance of a Warrant Certificate, one which has been duly signed by the Corporation and authenticated by manual signature of an authorized officer of the Warrant Agent, and (b) with respect to the issuance of an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant as required by Section 2.5 are entered in the register of holders of Warrants; and **"Authenticate", "Authenticating"** and **"Authentication"** have the appropriate correlative meanings;

"Book Entry Participant" means an institution that participates directly or indirectly in the Depository's book entry registration system for the Warrants;

"Book Entry Warrant" means a Warrant that is to be held only by or on behalf of the Depository;

"Business Day" means any day of the year (prior to 5:00 p.m. Toronto time), other than a Saturday, Sunday or any day on which the main branches of Canadian chartered banks are closed for regular business in Toronto, Ontario or Calgary, Alberta;

"Capital Reorganization" shall have the meaning ascribed thereto in Section 5.1(1)(c);

"CDS" means CDS Clearing and Depository Services Inc., or such other Person as is designated in writing by the Corporation to act as depository in respect of the Warrants;

"CDS Global Warrants" means Warrants representing all or a portion of the aggregate number of Warrants issued in the name of the Depository represented by an Uncertificated Warrant, or if requested by the Depository or the Corporation, by a Warrant Certificate;

"Certificated Warrant" means a Warrant evidenced by a writing or writings substantially in the form of the Warrant Certificate attached hereto at Schedule "A";

"Class A Restricted Voting Shares" means the fully paid and non-assessable Class A restricted voting shares in the capital of the Corporation, forming part of the Class A Restricted Voting Units, as such Class A Restricted Voting Shares are presently constituted, provided that in the event of any adjustment in accordance with the provisions of Article 5 hereof, "one Class A Restricted Voting Share" shall thereafter mean the shares or other securities or property resulting from such adjustment;

"Class A Restricted Voting Unit" means a Class A restricted voting unit of the Corporation, each such Class A Restricted Voting Unit consisting of one Class A Restricted Voting Share and one Warrant;

"Class B Shares" means the fully paid and non-assessable Class B shares in the capital of the Corporation, forming part of the Class B Units, as such Class A Restricted Voting Shares are presently constituted, provided that in the event any adjustment in accordance with the provisions of Article 5 hereof, "one Class B Share" shall thereafter mean the shares or other securities or property resulting from such adjustment;

"Class B Unit" means a Class B unit of the Corporation, each such Class B Unit consisting of one Class B Share and one Warrant;

"Closing of the Offering" means the closing of the offering and sale of an aggregate of 13,350,000 Class A Restricted Voting Units (together with any Class A Restricted Voting Units that may be sold in connection with a concurrent exercise of the Over-Allotment Option) at a price of $3.00 per Class A Restricted Voting Unit pursuant to the Prospectus;

"Closing Price" means the closing price of the Shares at the end of each Trading Day on the Exchange;

"Commencement Time" has the meaning ascribed thereto in recital E;

"Common Shares" means the common shares in the capital of the Corporation expected to be issued and outstanding immediately after the closing of the Qualifying Transaction, and **"Common Share"** means any one of them, provided that in the event any adjustment in accordance with the provisions of Article 5 hereof, "Common Shares" shall thereafter mean the shares or other securities or property resulting from such adjustment, and "Common Share" means any of them;

"Confirmation" has the meaning ascribed thereto in Section 4.2(5);

"Convertible Securities" means securities of the Corporation (other than the Warrants) or of any other issuer convertible into or exchangeable for or otherwise carrying the right to acquire Shares;

"Corporation" means Canaccord Genuity Growth Corp., and includes any Successor Corporation to or of Canaccord Genuity Growth Corp. which has complied with the provisions of Article 9;

"Corporation's Auditors" means an independent firm of chartered accountants duly appointed as auditors of the Corporation, and as of the date hereof, means Deloitte LLP;

"Counsel" means Blake, Cassels & Graydon LLP or a barrister or solicitor or a firm of barristers or solicitors, who may be counsel for the Corporation, acceptable to the Warrant Agent, acting reasonably;

"Current Market Price" in respect of a Share at any date means the VWAP for the 20 consecutive Trading Days ending on the fifth Trading Day before such date on the Exchange or, if the Shares are not then listed on the Exchange, then on such other stock exchange on which the Shares are then listed as may be selected by the Directors or, if the Shares are not then listed on a stock exchange, on the over-the-counter market; provided that, if there is no market for the Shares during all or part of such period during which the Current Market Price thereof would otherwise be determined, the Current Market Price in respect of a Share shall in respect of all or such part of the period be determined by a nationally recognized accounting firm chosen by the Corporation;

"Depository" means CDS or its successor, or any other depository offering a book based securities registration and transfer system similar to that administered by CDS which the Corporation, acting reasonably, may designate;

"Designated Jurisdictions" means all of the provinces and territories of Canada, other than the Province of Quebec, being the jurisdictions agreed to between the Corporation and the Underwriters where the Units are to be sold pursuant to the Offering;

"Detachment Date" has the meaning ascribed thereto in Section 2.4(1);

"Director" means a director of the Corporation and **"Directors"** or **"Board of Directors"** means the board of directors of the Corporation or, whenever duly empowered, a committee of the board of directors of the Corporation;

"Dividends" means dividends or distributions (payable in cash or in securities, property or assets of equivalent value, as determined by the Board of Directors) declared payable on the Shares;

"Equity Shares" means the Shares (which for greater certainty, under their current terms (as of the date hereof), following the closing of the Qualifying Transaction, means the Common Shares) and any shares of any other class or series of the Corporation which may, from time to time, be authorized for issue if by their terms such shares confer on the holders thereof the right to participate in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation beyond a fixed sum or a fixed sum plus accrued Dividends;

"Escrow Funds" means funds equal to the dollar amount of the gross proceeds from the sale of the Class A Restricted Voting Units sold in connection with the Offering (and any interest or other amounts subsequently earned on such proceeds, and any other amounts subsequently raised and placed in escrow pursuant to permitted future issuance(s) by the Corporation of additional securities, together with any interest or other amounts subsequently earned thereon) held by the Warrant Agent, in its capacity as escrow agent, in a segregated trust account;

"Excess Amount" means, with respect to any Extraordinary Dividend, the aggregate absolute dollar value of such Extraordinary Dividend per Share (as determined by the Board of Directors in the case of non-cash dividends), less the Extraordinary Dividend Threshold;

"Exchange" means the Aequitas NEO Exchange Inc., or any successor, assign or replacement exchange on which any of the Corporation's securities are listed from time to time;

"Exercise Date" means, with respect to any Warrant, the date on which such Warrant is validly exercised or deemed to be validly exercised in accordance with Article 4;

"Exercise Form" has the meaning ascribed thereto in Section 4.2(1);

"Exercise Price" has the meaning ascribed thereto in Section 4.2(1);

"Expiry Date" means, with respect to any Warrant, five years after the date of completion of a Qualifying Transaction of the Corporation, provided that if such date is not a Business Day, the Expiry Date will be the next succeeding Business Day, further provided that if a Qualifying Transaction of the Corporation is not consummated during the Permitted Timeline, the Expiry Date shall be the last date of the Permitted Timeline, and further provided that if an Acceleration Event occurs and the Corporation accelerates the Expiry Date in accordance with Section 4.3, the Expiry Date shall be determined in accordance with Section 4.3;

“Expiry Time” means 5:00 p.m. (Toronto time) on the Expiry Date;

“Extraordinary Dividend” means any dividend, together with all other Dividends payable in the same calendar year, that has an aggregate absolute dollar value (as determined by the Board of Directors in the case of non-cash dividends) which is greater than the Extraordinary Dividend Threshold;

“Extraordinary Dividend Threshold” means $0.075 per Share, unless such threshold shall have been adjusted in accordance with the provisions of Article 5, in which case it shall mean the adjusted threshold in effect at such time;

“Extraordinary Resolution” has the meaning ascribed thereto in Section 10.12 and Section 10.15;

“holders” without reference to Warrants, means the warrantholders as and in respect of Warrants registered in the name of the Depository and includes owners of Warrants who beneficially hold securities entitlements in respect of the Warrants through a Book Entry Participant or means, at a particular time, the persons entered in the register hereinafter mentioned as holders of the Warrants outstanding at such time;

“Holders” means the Persons, from time to time, who are registered owners of the Warrants, as such names appear on the register, and for greater certainty, shall include the Depository as well as the holders of Uncertificated Warrants appearing on the register of the Warrant Agent;

“Holders’ Request” means an instrument signed in one or more counterparts by Holders of not less than 25% of the aggregate number of the Warrants then outstanding, requesting the Warrant Agent to take some action or proceeding specified therein;

“Internal Procedures” means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Warrant Agent’s internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Warrant Agent;

“Offered Shares” has the meaning ascribed thereto in Section 5.2(1);

“Offering” means the offering and sale of an aggregate of 13,350,000 Class A Restricted Voting Units at a price of $3.00 per Class A Restricted Voting Unit, plus up to an additional 2,002,500 Class A Restricted Voting Units at a price of $3.00 per Class A Restricted Voting Unit pursuant to the Over-Allotment Option;

“Officer’s Certificate” means a certificate signed by any one or more of the officers of the Corporation or Directors;

“Over-Allotment Option” means the non-transferable option granted by the Corporation to the Underwriters to purchase up to an additional 2,002,500 Class A Restricted Voting

Units (being 15% of the aggregate number of Class A Restricted Voting Units issued upon the Closing of the Offering), at a price of $3.00 per Class A Restricted Voting Unit, exercisable for a period of 30 days from the Closing of the Offering, to cover overallotments, if any, and for market stabilization purposes;

"Participant" means a Person recognized by the Depository as a participant in the book entry only securities registration and transfer system administered by the Depository;

"Permitted Timeline" means the allowable time period within which the Corporation must consummate its Qualifying Transaction, being 21 months from the Closing of the Offering (or 24 months from the Closing of the Offering if the Corporation has executed a letter of intent, agreement in principle or definitive agreement for a Qualifying Transaction within 21 months from the Closing of the Offering but has not completed the Qualifying Transaction within such 21-month period), as it may be extended as described in the Prospectus;

"Person" includes any individual, corporation, company, partnership, association, joint venture, trust, unincorporated association, government or governmental authority;

"Prices" has the meaning ascribed thereto in Section 5.3(1);

"Privacy Laws" has the meaning ascribed thereto in Section 12.15;

"Prospectus" has the meaning ascribed thereto in recital B;

"Qualified Institutional Buyer" means a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act;

"Qualifying Transaction" means a "Qualifying Transaction" within the meaning of the Exchange Listing Manual (as amended from time to time, and subject to any exemptive relief granted by the Exchange);

"register" means the one set of records and accounts maintained by the Warrant Agent pursuant to Section 2.7;

"Regulation S" means Regulation S promulgated under the U.S. Securities Act;

"Rights Offering" has the meaning ascribed thereto in Section 5.2(1);

"SEC" means the United States Securities and Exchange Commission;

"Securities Commissions" means the securities commission or other similar regulatory authority in each of the Designated Jurisdictions;

"Securities Laws" means, as applicable, the securities laws, regulations, rules, rulings and orders in each of the Designated Jurisdictions, the published policy statements issued by the Securities Commissions and the rules of the Exchange, as each may be amended from time to time;

"Share Reorganization" shall have the meaning ascribed thereto in Section 5.1(1)(a);

"Shares" means the Class A Restricted Voting Shares for which the Warrants are conferred the right to acquire, provided that under their current terms (as of the date hereof), following the closing of the Qualifying Transaction of the Corporation, any issued and outstanding Class A Restricted Voting Shares remaining and any Class B Shares will automatically convert into Common Shares, and all references to **"Shares"** herein would accordingly thereafter mean the Common Shares (as the context requires), and provided that in the event of any adjustment in accordance with the provisions of Article 5 hereof, **"Shares"** shall thereafter mean the shares or other securities or property resulting from such adjustment, and **"Share"** means any one of them;

"Special Distribution" has the meaning ascribed thereto in Section 5.2(2);

"Sponsor" means CG Investments Inc.;

"Subsidiary" shall have the meaning ascribed thereto in the *Securities Act* (Ontario);

"Successor Corporation" has the meaning ascribed thereto in Section 9.1;

"Tax Act" means the *Income Tax Act* (Canada), as amended from time to time;

"Trading Day" means any day on which the Exchange (or such other exchange on which the Shares are listed and which forms the primary trading market for the Shares) is open for trading;

"Uncertificated Warrant" means any Warrant which is not a Certificated Warrant;

"Underwriters" means, collectively, Canaccord Genuity Corp. and Cormark Securities Inc.;

"Unit Certificate" means a unit certificate evidencing the Class A Restricted Voting Units or Class B Units, as applicable;

"United States" means the United States of America, its territories and possessions, any state of the United States and the District of Colombia;

"Units" means, collectively, the Class A Restricted Voting Units and Class B Units;

"U.S. Person" means a **"U.S. person"** as such term is defined in Regulation S under the U.S. Securities Act;

"U.S. Private Placement Memorandum" means the final U.S. private placement memorandum which contains the Prospectus pursuant to which a Qualified Institutional Buyer purchased Class A Restricted Voting Units in the Offering;

"U.S. Securities Act" means the *United States Securities Act* of 1933, as amended, and the rules and regulations promulgated thereunder;

"U.S. Securities Exchange Act" means the *United States Securities Exchange Act* of 1934, as amended;

"VWAP" means the volume weighted average trading price of the Shares on the Exchange or such other principal stock exchange on which the Shares are trading, calculated by dividing the total value by the total volume of Shares traded for the relevant period;

"Warrant Acceleration Threshold Price" means $7.20 per Share, unless such price shall have been adjusted in accordance with the provisions of Article 5, in which case it shall mean the adjusted price in effect at such time;

"Warrant Agency" means the principal transfer office of the Warrant Agent in the City of Calgary, Alberta and such other locations as the Corporation may designate with the approval of the Warrant Agent;

"Warrant Agent" means Odyssey Trust Company or its successor or successors for the time being as warrant agent appointed hereunder, at its principal office in the City of Calgary, Alberta;

"Warrant Certificate" means a certificate, substantially in the form set forth in Schedule "A" hereto, to evidence those Warrants that will be evidenced by a certificate;

"Warrant Redemption Price" means $0.03 per Warrant;

"Warrants" means the 14,183,333 share purchase warrants (or 16,185,833 share purchase warrants if the Over-Allotment Option is exercised in full) of the Corporation created and issued hereunder (together with additional Warrants pursuant to further issuances by the Corporation after the closing date of the Qualifying Transaction of the Corporation, if applicable), and for the time being outstanding entitling registered holders thereof to acquire, upon the valid exercise thereof and subject to adjustment in certain circumstances, one Share in accordance with the terms hereof, and **"Warrant"** means any one of them;

"written order of the Corporation", "written request of the Corporation", "written consent of the Corporation" and **"certificate of the Corporation"** means, respectively, a written order, request, consent and certificate signed in the name of the Corporation by any one or more of the officers of the Corporation or Directors and may consist of one or more instruments so executed and any other documents referred to herein which is required or contemplated to be provided or given by the Corporation;

and a derivative of any defined word or phrase has the meaning appropriate to the derivation of the word or phrase.

Section 1.2 Meaning of "Outstanding" for Certain Purposes

Except as provided in Section 4.7, every Warrant Certificate countersigned and delivered by the Warrant Agent under this Agreement shall be deemed to be outstanding until it has been surrendered to the Warrant Agent pursuant to this Agreement, provided however that:

(1) a Warrant Certificate that has been partially redeemed, exercised or exchanged shall be deemed to be outstanding only to the extent of the unredeemed, unexercised or unexchanged, as the case may be, part of the Warrants evidenced thereby;

(2) where a Warrant Certificate has been issued in substitution for a Warrant Certificate that has been lost, stolen or destroyed, only one of them shall be counted for the purpose of determining the Warrants outstanding; and

(3) for the purpose of any provision of this Agreement entitling Holders of outstanding Warrants to vote, sign consents, requests or other instruments or take any other action under this Agreement, Warrants owned legally or beneficially by the Corporation or any Subsidiary shall be disregarded, except that:

   (a) for the purpose of determining whether the Warrant Agent will be protected in relying on any vote, consent, request or other instrument or other action, only the Warrants of which the Warrant Agent has notice that they are so owned shall be so disregarded; and

   (b) Warrants so owned that have been pledged in good faith other than to the Corporation or any Subsidiary of the Corporation shall not be so disregarded if the pledgee establishes to the satisfaction of the Warrant Agent the pledgee's right to vote the Warrants in the pledgee's discretion free from the control of the Corporation or any Subsidiary of the Corporation pursuant to the terms of the pledge.

Section 1.3 Certain Rules of Interpretation

Unless otherwise specified in this Agreement:

(1) words importing the singular number include the plural and vice versa;

(2) words importing gender include both genders and vice versa and words importing individuals include firms and corporations and vice versa;

(3) the words "hereto", "herein", "hereby", "hereunder", "hereof' and similar expressions used herein refer to this instrument and not to any particular article, section, clause, subdivision or other portion hereof, and include each instrument supplemental or ancillary hereto or required to implement this instrument;

(4) "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including telecopy and scan (in PDF format);

(5) “including” is used for illustration only and not to limit the generality of any preceding words, whether or not non-limiting language (such as, “without limitation”, “but not limited to” and similar expressions) is used with reference thereto; and

(6) reference to any statute, regulation or by-law includes amendments, consolidations, re-enactments and replacements thereof and instruments and legislation thereunder.

Section 1.4 Interpretation not Affected by Headings, etc.

The division of this Agreement into articles, sections and other subdivisions, the inclusion of a table of contents and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

Section 1.5 Applicable Law

This Agreement, the Warrants and the Warrant Certificates (including all documents relating thereto, which by common accord have been and will be drafted in English) shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any and all disputes arising under this Agreement, the Warrants and the Warrant Certificates, whether as to interpretation, performance or otherwise, shall be subject to the exclusive jurisdiction of the courts of the Province of Ontario and each of the parties hereto irrevocably attorns to the jurisdiction of the courts of such Province.

Section 1.6 Language Clause

The parties hereto have required that this Agreement and all documents and notices related thereto or resulting therefrom be drawn up in the English language. Les parties ont expressément demandé que la présente convention ainsi que tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.

Section 1.7 Day Not A Business Day

If any day on or before which any action or notice is required to be taken or given hereunder is not a Business Day, then such action or notice shall be required to be taken or given on or before the requisite time on the next succeeding day that is a Business Day.

Section 1.8 Conflict

In the event of a conflict or inconsistency between a provision of this Agreement and in the Warrant Certificates issued hereunder, the relevant provision in this Agreement shall prevail to the extent of the inconsistency.

Section 1.9 Time Of The Essence

Time shall be of the essence of this Agreement, the Warrants and the Warrant Certificates.

Section 1.10 Currency

Except as otherwise stated, all dollar amounts herein are expressed in Canadian dollars.

Section 1.11 Severability

In the event that any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision of this Agreement, all of which shall remain in full force and effect.

Section 1.12 Schedules

Each of Schedule "A", Schedule "B" and Schedule "C" to this Agreement is incorporated into this Agreement by reference.

ARTICLE 2
ISSUE OF WARRANTS

Section 2.1 Creation and Issue of Warrants

(1) The Warrant Agent is hereby appointed as warrant agent in respect of the Warrants.

(2) Subject to the terms and conditions of this Agreement, a total of 14,183,333 Warrants (or 16,185,833 Warrants if the Over-Allotment Option is exercised in full) entitling the holders thereof to acquire up to 14,183,333 Shares (or 16,185,833 Shares if the Over-Allotment Option is exercised in full) are hereby created (together with additional Warrants pursuant to further issuances by the Corporation after the closing date of the Qualifying Transaction of the Corporation, if applicable) and authorized to be issued hereunder upon the terms and conditions herein set forth and shall be executed. For greater certainty, the number of Warrants authorized to be issued hereunder shall be unlimited.

Section 2.2 Terms of Warrants

(1) The Warrants shall be issued hereunder in accordance with the direction provided to the Warrant Agent pursuant to Section 2.5 and Section 2.6 hereof.

(2) Upon the valid exercise of the Warrants after the Commencement Time and prior to the Expiry Time in accordance with Section 4.2 hereof, including payment of the Exercise Price in connection therewith, each Warrant shall entitle the Holder to acquire, subject to adjustment in accordance with Article 5 hereof, one Share.

(3) All Warrants shall, save as to denominations, be of like tenor and effect. No certificate or other forms of ownership statement evidencing fractional Warrants shall be issued or otherwise provided for.

(4) The number of Shares which may be acquired pursuant to the exercise of the Warrants shall be adjusted in the events and in the manner specified in Article 5.

(5) All Warrants shall rank *pari passu*, or equally, and without preference over each other, whatever may be the actual date of issue thereof.

(6) The Warrants and any rights thereunder shall expire in accordance with the provisions of Section 4.7.

(7) All Warrants need not be issued at the same time and may be issued from time to time, consistent with the terms of this Agreement, if so provided herein, by or pursuant to such resolution of the Board of Directors or in an agreement supplemental hereto.

Section 2.3 Holder Not A Shareholder

Except as may be specifically provided herein or in the Warrant Certificates, nothing in this Agreement or in holding of a Warrant Certificate, entitlement to a Warrant or otherwise, shall be construed as conferring upon a holder or a Holder any right or interest whatsoever as a shareholder of the Corporation, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of shareholders or any other proceedings of the Corporation, or the right to receive Dividends and other distributions.

Section 2.4 Detachment Date and Detachability of Warrants

(1) The Shares and Warrants forming part of the Class A Restricted Voting Units shall begin separate trading on the Exchange on a date determined by the Exchange, that is either the second or third Business Day following completion of the Qualifying Transaction (the **"Detachment Date"**).

(2) Prior to the close of business on the Detachment Date, the Warrants forming part of the Class A Restricted Voting Units shall be issued through the book entry registration system and no certificates will be issued in respect of such Warrants, except where physical certificates evidencing ownership in such securities are required, or as set out in Section 2.5 or Section 2.13, or as may be requested by the Depository, as determined by the Corporation, from time to time. Prior to the Detachment Date, the Warrants forming part of the Class B Units will be issued in the form of a Unit Certificate.

(3) After the Detachment Date, the Warrant Certificates in definitive form authorized in Section 2.5 shall be created and shall be executed by the Corporation and shall be duly Authenticated by the Warrant Agent, in accordance with Section 2.5. After the Detachment Date, the Uncertificated Warrants authorized in Section 2.6 shall be evidenced by a book position on the register of holders to be maintained by the Warrant Agent in accordance with Section 2.7.

(4) Following the Detachment Date, by written order of the Corporation, the Warrant Agent shall deliver Warrant Certificates to Holders and record the name of the Holders on the Warrant register. Registration of interests in Warrants held by the Depository may be evidenced by a book position appearing on the register of the Warrant Agent for an amount representing the aggregate number of such Warrants outstanding from time to time.

(5) Prior to the close of business on the Detachment Date, the Class A Restricted Voting Units sold in connection with the Offering and consisting of one Class A Restricted Voting Share and one Warrant, subject to certain exceptions as set out in Section 2.5, shall be evidenced only by electronic registration through the non-certificated inventory (NCI) system of CDS (or another Depository), which may include Class A Restricted Voting Units offered and sold to Qualified Institutional Buyers in the Offering, and which shall be combined, exchanged or transferred upon the records of the Corporation's transfer agent and/or Depository, as applicable, only with a Class A Restricted Voting Share, subject to applicable law. Prior to the close of business on the Detachment Date, the Class B Units sold (consisting of one Class B Share and one Warrant); shall be evidenced only by Unit Certificates, and which may be combined, exchanged or transferred upon the records of the Corporation's transfer agent, Depository and/or the Corporation, only with a Class B Share, subject to applicable law. The right to receive the Class A Restricted Voting Shares and Warrants underlying the Class A Restricted Voting Units, and the Class B Shares and Warrants underlying the Class B Units, may not be split up, combined, exchanged or transferred separately upon the records of the Corporation's transfer agent or the Corporation prior to the close of business on the Detachment Date.

(6) Each Unit Certificate shall bear a legend on its face in substantially the following form, depending on whether issued for a Class A Restricted Voting Unit or a Class B Unit, as applicable:

> "Prior to the completion of the Qualifying Transaction, this certificate evidences **[Class A Restricted Voting Units consisting of one Class A restricted voting share and one share purchase warrant] [Class B Units consisting of one Class B share and one share purchase warrant],** which may not be transferred separately. Following the completion of the Qualifying Transaction and the conversion of the **[Class A Restricted Voting Shares] [Class B Shares]** into Common Shares this certificate shall no longer represent **[Class A Restricted Voting Units] [Class B Units]** but shall solely evidence the number of Common Shares set forth herein. See reverse for further details."

(7) Each Unit Certificate shall bear a legend on its reverse side in substantially the following form, as applicable:

> "Prior to the completion of the Qualifying Transaction **("Detachment Date"),** this certificate evidences **[Class A Restricted Voting Units consisting of one Class A restricted voting share ("Class A Restricted Voting Share") and one share purchase warrant ("Warrant")] [Class B Units consisting of one Class B share ("Class B Share") and one share purchase warrant ("Warrant")],** which may be combined, redeemed, exchanged or transferred only with **[Class A Restricted Voting Shares] [Class B Shares]** upon the records of the transfer agent, or of Canaccord Genuity Growth Corp., and the **[Class A Restricted Voting Shares] [Class B Shares]** evidenced by this certificate may not be split

up, combined, redeemed, exchanged or transferred separately. Following the Detachment Date, the holder of record of this certificate will be mailed a definitive Warrant Certificate evidencing his, her or its ownership of the Warrants represented hereby; after the Detachment Date, and the conversion of the Class A Restricted Voting Shares and Class B Shares into Common Shares, this certificate shall no longer represent the **[Class A Restricted Voting Units] [Class B Units],** but shall solely evidence the number of Common Shares set forth herein. The number of Warrants evidenced hereby equals the number of **[Class A Restricted Voting Shares] [Class B Shares]** evidenced hereby. No fractional Warrant Certificates will be issued and the holder hereof shall not be entitled to any cash or other consideration in lieu of interest in, or claim to, any fraction of a Warrant. By acceptance hereof, the holder expressly waives any right to receive a fractional Share upon exercise of the right represented by a Warrant Certificate. The holder may, but need not, submit this certificate after the Detachment Date to the transfer agent or to Canaccord Genuity Growth Corp. for issuance of a new certificate (without legends) solely evidencing Common Shares in substitution for this certificate. By acceptance hereof, the holder expressly assents to the provisions of the Warrant Agency Agreement dated as of September 20, 2018 between Canaccord Genuity Growth Corp. and Odyssey Trust Company, and agrees to be bound by its terms."

(8) The Corporation shall maintain a list of all registered holders of Unit Certificates and will, subject to Section 2.2(3), cause the Warrant Agent to mail or deliver Warrant Certificates evidencing Warrants to the Holders of the Unit Certificates as of the close of business on the Detachment Date within seven Business Days after the Detachment Date.

(9) After the Detachment Date, the Unit Certificates shall cease to represent the Units, but shall instead represent only that amount of Shares indicated thereon. After distribution of definitive Warrant Certificates, Warrants represented thereby may be transferred by delivery alone without regard to the Shares, as applicable, with which they were originally sold.

(10) The Corporation will not be obligated to issue any fraction of a Warrant after the Detachment Date, and any Warrants which a Holder is entitled to receive after the Detachment Date shall be rounded down to the nearest whole number.

Section 2.5 Form of Warrants, Certificated Warrants

(1) The Warrants may be issued in both certificated and uncertificated form. All Warrants issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Holders to be maintained by the Warrant Agent in accordance with Section 2.7. Notwithstanding anything to the contrary in this Agreement, subject to Securities Laws, the CDS Global Warrant will be issued as an Uncertificated Warrant, unless otherwise requested in writing by the Depository or the Corporation.

(2) For those Warrants that will be evidenced by a certificate, the form of certificate representing Warrants shall be substantially as set out in Schedule "A" hereto or such other form as is authorized from time to time by the Corporation and the Warrant Agent, shall be dated as of the Detachment Date (including all replacements issued in accordance with this Agreement), shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions. Irrespective of any adjustments pursuant to Article 5 hereof, all replacement Warrant Certificates shall continue to express the number of Shares purchasable upon the exercise of the Warrant(s) evidenced thereby and the Exercise Price thereof as if such Warrant Certificates were initially issued as of the Detachment Date pursuant hereto. Upon the written order of the Corporation, each Warrant Certificate shall be Authenticated manually on behalf of the Warrant Agent. Each Warrant Certificate shall be signed by either of the Chief Executive Officer, Chairman, or Chief Financial Officer of the Corporation whose signature shall appear on the Warrant Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Corporation as if it had been signed manually. Any Warrant Certificate which has the applicable signatures as hereinbefore provided shall be valid notwithstanding that one or more of the persons whose signature is printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such certificate. The Warrant Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Warrant Agent may determine.

(3) Upon the written order of the Corporation, the Warrant Agent shall Authenticate Uncertificated Warrants (whether upon original issuance, exchange, registration of transfer, partial payment or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Warrants under this Agreement. Such Authentication shall be conclusive evidence that such Uncertificated Warrant has been duly issued hereunder and that the Holder or Holders are entitled to the benefits of this Agreement. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Warrants with respect to which this Agreement requires the Warrant Agent to maintain records or accounts. In case of differences between the register at any time and any other time, the register at the later time shall be controlling, absent manifest error and such Uncertificated Warrants are binding on the Corporation.

(4) Any Warrant Certificate validly issued in accordance with the terms of this Agreement in effect at the time of issue of such Warrant Certificate shall, subject to the terms of this Agreement and applicable Securities Laws, validly entitle the holder to acquire Shares, notwithstanding that the form of such Warrant Certificate may not be in the form currently required by this Agreement.

(5) No Warrant shall be considered issued and shall be valid or obligatory or shall entitle the Holder thereof to the benefits of this Agreement, until it has been Authenticated by the Warrant Agent. Authentication by the Warrant Agent shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Agreement or of such Warrant Certificates or Uncertificated Warrants (except the due Authentication

thereof) or as to the performance by the Corporation of its obligations under this Agreement, and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or of the consideration thereof. Authentication by the Warrant Agent shall be conclusive evidence as against the Corporation that the Warrants so Authenticated have been duly issued hereunder and that the Holder thereof is entitled to the benefits of this Agreement.

(6) No Certificated Warrant shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the Holder thereof to the benefits of this Agreement, until it has been Authenticated by manual signature by or on behalf of the Warrant Agent substantially in the form of the Warrant Certificate set out in Schedule "A" hereto. Such Authentication on any such Certificated Warrant shall be conclusive evidence that such Certificated Warrant is duly Authenticated and is valid and a binding obligation of the Corporation and that the Holder is entitled to the benefits of this Agreement. The Authentication by the Warrant Agent on any such Certificated Warrant hereunder shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Agreement or of such Warrant or its issuance (except the due Authentication thereof and any other warranties by law) or as to the performance by the Corporation of its obligations under this Agreement and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or the proceeds thereof.

(7) No Uncertificated Warrant shall be considered issued and shall be obligatory or shall entitle the Holder thereof to the benefits of this Agreement, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Warrant. Such entry on the register of the particulars of an Uncertificated Warrant shall be conclusive evidence that such Uncertificated Warrant is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Agreement. Authenticating by way of entry on the register shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Agreement or of such Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Agreement and the Warrant Agent shall in no respect be liable or answerable for the use made of the Uncertificated Warrants or any of them or the proceeds thereof.

(8) All Warrants issued to Qualified Institutional Buyers may be issued in either certificated or uncertificated form. All Warrants issued to holders of Class B Units will be issued in certificated form.

Section 2.6 Book Entry (Non-Certificated Inventory) Warrants

(1) Re-registration of beneficial interests in, and transfers of, Warrants held by the Depository shall be made only after the Detachment Date through the book entry registration system and no Warrant Certificates shall be issued in respect of such Warrants except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by the Depository, as determined by the Corporation, from time to time.

(2) Notwithstanding any other provision in this Agreement, no CDS Global Warrants may be exchanged in whole or in part for Warrants registered, and no transfer of any CDS Global Warrants in whole or in part may be registered, in the name of any person other than the Depository for such CDS Global Warrants or a nominee thereof unless:

(a) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in connection with the Warrants and the Corporation is unable to locate a qualified successor;

(b) the Corporation determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Global Warrants and the Corporation is unable to locate a qualified successor;

(c) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor;

(d) the Corporation determines that the Warrants shall no longer be held as Uncertificated Warrants through the Depository;

(e) such right is required by applicable law, as determined by the Corporation and the Corporation's counsel; or

(f) the Warrant is to be Authenticated to or for the account or benefit of a person in the United States or a U.S. Person and such registration is determined to be necessary by the Corporation and the Corporation's counsel,

following which, Warrants for those holders requesting the same shall be registered to the beneficial owners of such Warrants or their nominees as directed by the holder. The Corporation shall provide an Officer's Certificate giving notice to the Warrant Agent of the occurrence of any event outlined in this Section 2.6(2).

(3) Subject to the provisions of this Section 2.6, any exchange of CDS Global Warrants for Warrants which are not CDS Global Warrants may be made in whole or in part in accordance with the provisions of Section 2.12, *mutatis mutandis.* All such Warrants issued in exchange for a CDS Global Warrant or any portion thereof shall be registered in such names as the Depository for such CDS Global Warrants shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Global Warrants) as the CDS Global Warrants or portion thereof surrendered upon such exchange.

(4) Every Warrant that is Authenticated upon registration or transfer of a CDS Global Warrant, or in exchange for or in lieu of a CDS Global Warrant or any portion thereof, whether pursuant to this Section 2.6, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Global Warrant, unless such Warrant is registered in the name of a person other than the Depository for such CDS Global Warrant or a nominee thereof.

(5) Notwithstanding anything to the contrary in this Agreement, subject to applicable law, the CDS Global Warrant will be issued as an Uncertificated Warrant, unless otherwise requested in writing by the Depository or the Corporation.

(6) The rights of beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system shall be limited to those established by applicable law and agreements between the Depository and the Book Entry Participants and between such Book Entry Participants and the beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system, and such rights must be exercised through a Book Entry Participant in accordance with the rules and procedures of the Depository.

(7) Notwithstanding anything herein to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for:

(a) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Warrants or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Warrant represented by an electronic position in the book entry registration system (other than the Depository or its nominee);

(b) maintaining, supervising or reviewing any records of the Depository or any Book Entry Participant relating to any such interest; or

(c) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Participant.

(8) The Corporation may terminate the application of this Section 2.6 in its sole discretion in which case all Warrants shall be evidenced by Warrant Certificates registered in the name of a person other than the Depository.

Section 2.7 Register for Warrants

(1) The Warrant Agent shall maintain records and accounts concerning the Warrants, whether certificated and uncertificated, which shall contain the information called for below with respect to each Warrant, together with such other information as may be required by law or as the Warrant Agent may elect to record. All such information shall be kept in one set of accounts and records which the Warrant Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Warrants. The information to be entered for each account in the register of Warrants at any time shall include (without limitation):

(a) the name and address of the Holder of the Warrants, the date of Authentication thereof and the number Warrants;

(b) whether such Warrant is a Certificated Warrant or an Uncertificated Warrant and, if a Certificated Warrant, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Warrant, the unique number or code assigned thereto, if any;

(c) whether such Warrant has been cancelled; and

(d) a register of transfers in which all transfers of Warrants and the date and other particulars of each transfer shall be entered.

(2) The register or registers, as applicable, shall be available for inspection by the Corporation and or any holder during the Warrant Agent's regular business hours on a Business Day and upon payment to the Warrant Agent of its reasonable fees. Any holder exercising such right of inspection shall first provide an affidavit in form satisfactory to the Corporation and the Warrant Agent stating the name and address of the holder and agreeing not to use the information therein except in connection with an effort to call a meeting of holders or to influence the voting of holders at any meeting of holders.

Section 2.8 Issue in Substitution for Lost Warrant Certificate

(1) If any of the Warrant Certificates shall become mutilated or lost, destroyed or stolen, the Corporation, subject to applicable law and to Section 2.8(2), shall issue and thereupon, at the written direction of the Corporation, the Warrant Agent shall countersign and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen upon surrender and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substituted Warrant Certificate shall be in a form approved by the Warrant Agent and shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Warrant Certificates issued or to be issued hereunder.

(2) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.8 shall bear the reasonable cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Warrant Agent evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen satisfactory to the Warrant Agent and the Corporation in their sole discretion, acting reasonably, and such applicant may also be required to furnish an indemnity and/or surety bond in amount and form satisfactory to the Warrant Agent in its sole discretion, acting reasonably, and shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

Section 2.9 Transfer and Ownership of Warrants

(1) The Warrants may be transferred on the register kept at the Warrant Agency by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and manner of execution satisfactory to the Warrant Agent, acting reasonably, only upon (a) in the case of a Warrant Certificate, surrendering to the Warrant Agent at the Warrant Agency (or at any other place that is designated by the

Corporation with the approval of the Warrant Agent) the Warrant Certificates representing the Warrants to be transferred together with a duly executed transfer form as set forth in Schedule "A" hereto, (b) in the case of Book Entry Warrants, in accordance with procedures prescribed by the Depository under the book entry registration system, and (c) upon compliance with:

(a) the conditions herein;

(b) such requirements as the Warrant Agent may reasonably prescribe; and

(c) all applicable securities legislation and requirements of regulatory authorities,

and such transfer shall be duly noted in such register by the Warrant Agent. Upon compliance with such requirements, the Warrant Agent shall issue to the transferee a Warrant Certificate, or the Warrant Agent shall Authenticate and deliver a Warrant Certificate upon request that part of the CDS Global Warrant be certificated, and Warrants that are held as Book Entry Warrants shall be transferred and recorded through the relevant Book Entry Participant in accordance with the book entry registration system as the entitlement holder in respect of such Warrants.

(2) Subject to the provisions of this Agreement, and applicable law, the holder shall be entitled to the rights and privileges attaching to the Warrants, and the issue of Shares (or other security issued in accordance with Article 5) by the Corporation upon the exercise of Warrants in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Warrants and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder.

Section 2.10 Transferee Entitled to Registration

(1) The transferee of a Warrant shall, after the transfer form attached to the Warrant Certificate is duly completed and the Warrant Certificate and transfer form are lodged with the Warrant Agent, and upon compliance with all other conditions in that regard required by this Agreement and by all applicable securities legislation and requirements of regulatory authorities, be entitled to have his, her or its name entered on the register as the owner of such Warrant, free from all equities or rights of set-off or counterclaim between the Corporation and his, her or its transferor or any previous holder of such Warrant, save in respect of equities of which the Corporation or the transferee is required to take notice by statute or by order of a court of competent jurisdiction.

(2) Upon compliance with all such applicable requirements, the Warrant Agent shall issue to the transferee of a Certificated Warrant, a Warrant Certificate, and to the transferee of an Uncertificated Warrant, an Uncertificated Warrant (or it shall Authenticate and deliver a Certificated Warrant instead, upon request), representing the Warrants transferred and the transferee of a Book Entry Warrant shall be recorded through the relevant Book Entry Participant in accordance with the book entry registration system as the entitlement holder in respect of such Warrants.

Section 2.11 Ownership of Warrants

(1) The Corporation and the Warrant Agent may deem and treat the registered Holder of any Warrant Certificate as the absolute owner of the Warrants represented thereby for all purposes and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary, except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. For greater certainty, subject to applicable law, neither the Corporation nor the Warrant Agent shall be bound to take notice of, or see to the execution of, any trust, whether express, implied or constructive, in respect of any Warrant, and may transfer any Warrant on the direction of the Person registered as Holder thereof, whether named as trustee or otherwise, as though that Person were the beneficial owner thereof.

(2) Subject to the provisions of this Agreement and applicable law, each Holder shall be entitled to the rights and privileges attaching to the Warrants held thereby. The exercise of the Warrants in accordance with the terms hereof and the receipt by any such Holder of Shares pursuant thereto shall be a good discharge to the Corporation and the Warrant Agent with respect to such Warrants and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such Holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

Section 2.12 Exchange of Warrant Certificates

(1) Warrant Certificates, representing Warrants entitling the Holders to receive any specified number of Shares, may, prior to the Expiry Time and upon compliance with the reasonable requirements of the Warrant Agent, be exchanged for another Warrant Certificate or Warrant Certificates entitling the Holder thereof to receive in the aggregate the same number of Shares as are issuable under the Warrant Certificate or Warrant Certificates so exchanged.

(2) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificates tendered for exchange shall be surrendered to the Warrant Agent and shall, upon the valid completion of the exchange in accordance with the terms of this Agreement, be cancelled.

(3) Except as otherwise herein provided, the Warrant Agent shall charge to the Holder requesting an exchange a reasonable sum for each new Warrant Certificate issued in exchange for Warrant Certificate(s), and payment of such charges and reimbursement to the Warrant Agent or the Corporation for any and all taxes or governmental or other charges required to be paid shall be made by such Holder as a condition precedent to such exchange.

(4) Warrant Certificates exchanged in accordance with this Section 2.12 that bear a legend set forth in Section 2.13 herein shall bear the same legend.

Section 2.13 Restrictions and Transfers under United States Securities Laws

(1) The Warrants and the Shares have not been and will not be registered under the U.S. Securities Act and applicable state securities laws and the Corporation has no current intention to effect such registration. All Warrants and Shares issued to a U.S. Person that is not a Qualified Institutional Buyer will be issued in certificated form only and each such Warrant Certificate shall bear the following additional legend until the closing of a Qualifying Transaction:

> **"THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE ON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR U.S. STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO CANACCORD GENUITY GROWTH CORP. (THE "CORPORATION") OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, AFTER THE HOLDER HAS FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. THE SECURITIES REPRESENTED HEREBY CANNOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."**

provided, that if at the time of issuance of the Warrants or Shares, as applicable, the Corporation is a "foreign issuer" as defined in Regulation S, and the Warrants and Shares, as applicable, are being sold outside the United States in accordance with Rule 904 of Regulation S and in compliance with Canadian laws and regulations, the legend may be removed by providing a declaration to the registrar and transfer agent in the form attached as Schedule "B" hereto or as the Corporation may prescribe from time to time; notwithstanding the foregoing, the Corporation's transfer agent may impose additional requirements for the removal of legends from securities sold in accordance with Rule 904 of Regulation S in the future.

(2) After the closing of a Qualifying Transaction of the Corporation, all Warrants issued to any U.S. Person will be issued in certificated form only and each such Warrant Certificate shall bear the following additional legend until such time as the legend is no

longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws:

> **"THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE ON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR U.S. STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO CANACCORD GENUITY GROWTH CORP. (THE "CORPORATION"); (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."**

provided, that if at the time of issuance of the Warrants or Shares, as applicable, the Corporation is a "foreign issuer" as defined in Regulation S, and the Warrants and Shares, as applicable, are being sold outside the United States in accordance with Rule 904 of Regulation S and in compliance with Canadian laws and regulations, the legend may be removed by providing a declaration to the registrar and transfer agent in the form attached as Schedule "B" hereto or as the Corporation may prescribe from time to time; notwithstanding the foregoing, the Corporation's transfer agent may impose additional requirements for the removal of legends from securities sold in accordance with Rule 904 of Regulation S in the future; *provided, further,* if any of the Warrants or Shares, as applicable, are being sold pursuant to Rule 144 of the U.S. Securities Act, if available, the legend may be removed by delivering to the Corporation and the transfer agent for the Corporation an opinion of counsel of recognized standing, or other evidence of exemption, in form and substance reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act.

(3) If a certificate representing the Warrants or the Shares is tendered for transfer and bears the legend set forth in Section 2.13(1) or Section 2.13(2), as applicable, and the holder thereof has not obtained the prior written consent of the Corporation, the Warrant Agent shall not register such transfer unless the transferor has provided the Warrant Agent with the certificate representing such securities and the transfer is being made (i) to the Corporation, (ii) outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act, if available, and in compliance with any applicable local securities laws, (iii) in compliance with the exemption from registration under the U.S. Securities Act provided by (A) Rule 144 thereunder, if available, or (B) Rule 144A thereunder, if available, and in both cases, in compliance with any applicable state securities laws, or (iv) in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws, and in the case of (iii)(A) and (iv) above, after the seller has furnished to the Corporation and the Warrant Agent requirements stated in Section 2.13(1) or Section 2.13(2), as applicable, to such effect.

(4) Notwithstanding any terms set out herein, Warrants having the legend set forth in Section 2.13(1) or Section 2.13(2), as applicable, may not be held in the name of the Depository or in the form of Uncertificated Warrants. Notwithstanding any other provisions of this Agreement, in processing and registering transfers of Warrants, no duty or responsibility whatsoever shall rest upon the Warrant Agent to determine the compliance by any transferor or transferee with the terms of the legend contained in Section 2.13(1) or Section 2.13(2), as applicable, or with the relevant securities laws or regulations, including, without limitation, Regulation S of the U.S. Securities Act and the Warrant Agent shall be entitled to assume that all transfers are legal and proper.

ARTICLE 3
REDEMPTION OF WARRANTS

Section 3.1 Redemption of Warrants

(1) In the event that the Corporation redeems all or a portion of a Holder's Class A Restricted Voting Shares underlying the Class A Restricted Voting Units in accordance with the provisions of the Articles, then each Warrant forming part of the Class A Restricted Unit so redeemed shall be automatically redeemed by the Corporation, effective at the same time as the redemption of the Class A Restricted Voting Shares and without any further action by the Corporation or the Holder, for the Warrant Redemption Price, which Warrant Redemption Price shall be paid by the Corporation in the same manner and at the same time as payment is made in respect of the redemption of the applicable Class A Restricted Voting Share. Upon payment in cash of the Warrant Redemption Price in respect of the Warrants underlying the Class A Restricted Voting Units to be redeemed by the Corporation, the rights of the Holders in respect of such Warrants being redeemed, as Holders, shall be extinguished in their entirety.

(2) On or before the automatic redemption date specified by the Corporation, the Corporation shall have the right to deposit the Warrant Redemption Price of any Warrants underlying the Class A Restricted Voting Units called for redemption in a special account with any chartered bank or trust company in Canada, such amount to be paid to, or to the order of,

the respective holders of such Warrants called for redemption, upon deposit of the certificates or electronic or other book-entry positions, as applicable, representing the same (in each case and/or other documents reasonably requested by the Corporation or the Corporation's transfer agent or CDS for the Warrants, properly completed), and, upon such deposit being made, the Warrants in respect of which such deposit shall have been made shall be redeemed and the rights of the holders thereof, after such deposit, shall be limited to receiving, out of the moneys so deposited, without interest on such deposited moneys, the Warrant Redemption Price applicable to their respective Warrants against deposit of the certificates or electronic or other book-entry positions, as applicable, representing such Warrants and other documents reasonably requested by the Corporation or the Corporation's transfer agent or CDS for the Warrants, properly completed.

Section 3.2 Partial Redemption of Warrants

If only a portion of a Holder's Warrants are redeemed in accordance with Section 3.1 hereof, such Holder shall be entitled to receive without charge therefor, a new Unit Certificate or Warrant Certificate, as applicable, representing the balance of the Class A Restricted Voting Units or Warrants, as applicable, which were not so redeemed.

Section 3.3 Cancellation of Redeemed Warrants

Notwithstanding any other provision in this Agreement, any Warrants that are redeemed by the Corporation pursuant to Section 3.1 hereof shall be cancelled by the Warrant Agent at the same time as the cancellation of the Class A Restricted Voting Shares underlying the applicable Class A Restricted Voting Unit.

ARTICLE 4
EXERCISE OF WARRANTS

Section 4.1 Rights of Exercise of Warrants

Subject to the further provisions hereof, the Warrants may be exercised at any time during the period commencing on the Commencement Time and terminating at the Expiry Time in accordance with the conditions herein and subject to adjustment in accordance with Article 5.

Section 4.2 Method of Exercise of Warrants

(1) Subject always to the provisions of this Article 4 and compliance by both the Corporation and the Holder with applicable law, the Holder of any Warrant may exercise the right thereby conferred on him, her or it to acquire one Share (subject to adjustment pursuant to Article 5) in respect of each Warrant held by surrendering to the Warrant Agent at the Warrant Agency the Warrant Certificate(s) held by him, her or it, together with (i) the exercise form forming part of the Warrant Certificate (the **"Exercise Form")** duly completed and executed by the Holder or his, her or its executors, administrators or other legal representatives or his, her or its attorney duly appointed by an instrument in writing in form and manner satisfactory to the Warrant Agent, acting reasonably; and (ii) a certified cheque, bank draft or money order in lawful money of Canada, payable to or to the order of the Corporation in an amount equal to $3.45 per Share, subject to adjustment

pursuant to Article 5 (the **"Exercise Price")** multiplied by the number of Shares subscribed for pursuant to such Exercise Form. A Warrant Certificate with the duly completed and executed Exercise Form and payment of the applicable Exercise Price shall be deemed to be surrendered only upon personal delivery thereof to or, if sent by mail or other means of transmission, upon actual receipt thereof by, the Warrant Agent at the Warrant Agency.

(2) The Exercise Form shall be executed as set out in Section 4.2(1) and shall specify the number of Shares which the Holder wishes to acquire (being not more than that number which he, she or it is entitled to acquire pursuant to the Warrant Certificate(s) so surrendered). Such Shares shall be issued in the name of the Holder.

(3) In the event that a Holder has not exercised his or her Warrants in accordance with the provisions hereof prior to the Expiry Time, all Warrants then held by such Holder shall expire and be of no further force and effect as at the Expiry Time.

(4) If the principal transfer office of the Warrant Agent in the city where the Warrant Agency is situated is for any reason not available to act in connection with the exchange of Warrant Certificates or exercise of Warrants as contemplated by this Agreement, the Corporation and the Warrant Agent shall arrange for another office in such city to act in connection with the exchange of Warrant Certificates and exercise of Warrants and shall give notice of the change of such office to the Holders.

(5) A beneficial owner of Uncertificated Warrants evidenced by a security entitlement in respect of Warrants in the book entry registration system who desires to exercise his or her Warrants must do so by causing a Book Entry Participant to deliver to the Depository on behalf of the entitlement holder, notice of the owner's intention to exercise Warrants in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, as well as payment of the Exercise Price, the Depository shall deliver to the Warrant Agent confirmation of its intention to exercise Warrants **("Confirmation")** in a manner acceptable to the Warrant Agent, including by electronic means through the book entry registration system. Such Confirmation from the Depository to the Warrant Agent shall electronically confirm that the beneficial holder of Uncertificated Warrants at the time of exercise of the Uncertificated Warrants: (a) is not in the United States; and (b) is not a U.S. Person and is not exercising the Uncertificated Warrants on behalf of a U.S. Person or a person in the United States. If the Depository (i) is not able to make or deliver the foregoing Confirmation to the Warrant Agent or (ii) the beneficial owner of the Uncertificated Warrants is in the United States or exercising for the account or benefit of a U.S. Person, including without limitation Qualified Institutional Buyers that acquired Warrants in the Offering, such Uncertificated Warrants shall be removed from the book entry registration system, and an individually registered Warrant Certificate shall be issued to such beneficial holder, and the exercise procedures set forth in Section 4.2(1) shall be followed.

(6) Payment representing the Exercise Price must be provided to the appropriate office of the Book Entry Participant in a manner acceptable to it. A notice in form acceptable to the Book Entry Participant and payment from such beneficial holder should be provided to

the Book Entry Participant sufficiently in advance so as to permit the Book Entry Participant to deliver notice and payment to the Depository and for the Depository in turn to deliver notice and payment to the Warrant Agent prior to the Expiry Time. The Depository will initiate the exercise by way of the Confirmation and forward the Exercise Price electronically to the Warrant Agent, and the Warrant Agent will execute the exercise by causing the issuance to the Depository through the book entry registration system of the Shares to which the exercising Holder is entitled pursuant to the exercise. Any expense associated with the exercise process will be for the account of the entitlement holder exercising the Warrants and/or the Book Entry Participant exercising the Warrants on its behalf. A failure by a Book Entry Participant to exercise or to give effect to the settlement thereof in accordance with the beneficial owner's instructions will not give rise to any obligations or liability on the part of the Corporation or Warrant Agent to the Book Entry Participant or the beneficial owner.

(7) By causing a Book Entry Participant to deliver notice to the Depository, a holder shall be deemed to have irrevocably surrendered his, her or its Warrants so exercised and appointed such Book Entry Participant to act as his, her or its exclusive settlement agent with respect to the exercise and the receipt of Shares in connection with the obligations arising from such exercise.

Section 4.3 Notification of Early Expiry

In the event that at any time on a date following the Commencement Time, the Closing Price of the Shares equals or exceeds the Warrant Acceleration Threshold Price (as it may be adjusted pursuant to Article 5) for any 20 Trading Days within a 30-Trading Day period (an **"Acceleration Event"),** the Expiry Date may be accelerated by the Corporation providing a notice to Holders and the Warrant Agent announcing and confirming the occurrence of such Acceleration Event, and in such case the Expiry Date shall be the date which is 30 days following the date on which such notice is provided in accordance with the terms of this Agreement.

Section 4.4 Effect of Exercise of Warrants

(1) If the Warrants are duly exercised in accordance with Section 4.1 and Section 4.2, the Shares subscribed for shall be deemed to have been issued and the Person or Persons to whom such Shares are to be issued shall be deemed to have become the holder or holders of record of such Shares on the Exercise Date unless the transfer registers for the Shares shall be closed on such date, in which case the Shares subscribed for shall be deemed to have been issued and such Person or Persons shall be deemed to have become the holder or holders of record of the same on the date on which such transfer registers are re-opened.

(2) In the case of Warrants which are exercised in accordance with the provisions of Section 4.1 and Section 4.2, within three Business Days after the Exercise Date of such Warrants, the Warrant Agent shall cause to be delivered or mailed to the Person in whose name the Shares so subscribed for are to be delivered, as specified in the Exercise Form, at the address specified in such Exercise Form, or, if so specified in such Exercise Form, cause to be held for such Person for pick-up at the Warrant Agency, certificates representing the Shares to be issued pursuant to such Exercise Form, registered in such name.

Section 4.5 Partial Exercise of Warrants

(1) The holder of any Warrants may exercise his, her or its right to acquire Shares in part and may thereby acquire a number of Shares less than the aggregate number which he, she or it is entitled to acquire pursuant to the Warrant Certificate(s) surrendered in connection therewith. In the event of any acquisition of a number of Shares less than the number which the holder is entitled to acquire, he, she or it shall, upon exercise thereof, be entitled to receive, without charge therefor, a new Warrant Certificate(s) representing the balance of the Warrants not exercised.

(2) Notwithstanding anything herein contained including any adjustment provided for in Article 5, the Corporation shall not be required, upon valid exercise of any Warrants after the Commencement Time and prior to the Expiry Time, to issue fractions of Shares or to distribute certificates which evidence the same. A holder or a Holder shall not be entitled to any cash or other consideration in lieu of any fractional interest in a Warrant or claim thereto. Any fractional Shares to which a Holder is entitled shall be rounded down to the nearest whole Share, and no cash or other consideration will be paid in lieu of fractional Shares.

Section 4.6 Cancellation of Warrants

All Warrant Certificates surrendered to the Warrant Agent pursuant hereto (including those exercised and surrendered under Section 4.2 or Section 4.5 or surrendered for transfer pursuant to Section 2.9) shall be cancelled and, after the expiry of any period of retention prescribed by law, cancelled by the Warrant Agent, and the Warrant Agent shall furnish the Corporation on request with a cancellation certificate identifying the Warrant Certificates so cancelled and the number of Warrants evidenced thereby.

Section 4.7 Warrants Void after the Expiry Time

No Holder shall have any further rights under this Agreement or the Warrant Certificates (other than the right to receive Shares in respect of Warrants duly exercised prior to or at the Expiry Time, as the case may be), after the Expiry Time and the Warrants shall be null and void and of no effect.

Section 4.8 Accounting and Recording

(1) The Warrant Agent shall promptly, and in any event within five Business Days following any exercise of Warrants, notify the Corporation with respect to Warrants exercised, and shall promptly forward to the Corporation (or into an account or accounts of the Corporation as designated by the Corporation) all monies received by the Warrant Agent on the subscription of Shares through the exercise of Warrants. All such monies, and any securities or other instruments, from time to time received by the Warrant Agent, shall be received as agent for, and shall be segregated and kept apart by, the Warrant Agent for the Corporation.

(2) The Warrant Agent shall record the particulars of Warrants exercised which shall include the names and addresses of the Persons who become holders of Shares on the Exercise Date. Within three Business Days of each Exercise Date, the Warrant Agent shall provide such particulars in writing to the Corporation.

Section 4.9 Securities Restrictions

Notwithstanding anything herein contained, Shares shall only be issued by the Corporation (upon exercise of the Warrants) in compliance with the Securities Laws of any applicable jurisdiction.

Section 4.10 Restrictions on Exercise under United States Securities Laws

(1) The Warrants may not be exercised by or on behalf of a Person in the United States or a U.S. Person unless the securities issuable on the exercise thereof have been registered under the U.S. Securities Act or unless an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws and the holder of the Warrants has furnished an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect; provided that a Qualified Institutional Buyer that purchased Class A Restricted Voting Units in the Corporation's private placement of Class A Restricted Voting Units to, or for the account or benefit of, Persons in the United States or U.S. Persons in the Offering will not be required to deliver an opinion of counsel in connection with the exercise of Warrants that are a part of those Class A Restricted Voting Units by the holder of the Warrants.

(2) Any Shares issued to, or for the account or benefit of, a Qualified Institutional Buyer that cannot make the representations set forth in Box A on the Exercise Form of the Warrant Certificate shall continue to be subject to the restrictions on re-sale and transfer of the Shares made by such Qualified Institutional Buyer in the U.S. Private Placement Memorandum at the time of acquisition of the Class A Restricted Voting Units in the Offering.

ARTICLE 5
ADJUSTMENTS

Section 5.1 Adjustment upon Share Reorganization or Capital Reorganization

(1) The number of Shares purchasable upon the exercise of the Warrants shall be subject to adjustment from time to time as follows:

(a) If, at any time prior to the Expiry Time, the Corporation shall:

(i) subdivide, redivide or change its then outstanding Shares into a greater number of shares; or

(ii) consolidate, reduce or combine its then outstanding Shares into a lesser number of shares; or

(iii) fix a record date for the issue of, or issue Shares or Convertible Securities to all or substantially all of the holders of the Shares as a stock dividend or other distribution (other than at the holder's option in lieu of a cash dividend),

(any such event being herein called a **"Share Reorganization"),** then the number of Shares that a Holder is entitled to upon exercise shall be adjusted, effective immediately after the effective date or record date at which holders of Shares are determined for the purposes of the Share Reorganization, by multiplying the number of Shares that a Holder was entitled to upon exercise of Warrants immediately prior to such effective date or record date, by a fraction of which:

(i) the numerator shall be the number of Shares outstanding immediately after giving effect to such Share Reorganization, including, without limitation, in the case of a distribution of securities exchangeable for or convertible into Shares, the number of Shares that would have been outstanding if such securities had been exchanged for or converted into Shares on such date; and

(ii) the denominator shall be the number of Shares outstanding on such effective date or record date before giving effect to such Share Reorganization.

(b) To the extent that any adjustment in the number of Shares issuable upon exercise of the Warrants occurs pursuant to Section 5.1(1)(a) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable for or convertible into Shares, the number of Shares to which a Holder is entitled on the exercise of his, her or its Warrants shall be readjusted immediately after the expiration of any relevant exchange or conversion right to the number of Shares to which such Holder is entitled on the exercise of his, her or its Warrants which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiration.

(c) If, at any time prior to the Expiry Time, there occurs:

(i) a reclassification or redesignation of the Shares or a change, exchange or conversion of the Shares into or for other shares or securities or property or any other capital reorganization (other than a Share Reorganization); or

(ii) a consolidation, merger, plan of arrangement, compulsory acquisition under section 187 of the *Business Corporations Act* (Ontario) or amalgamation of the Corporation with or into any other Person which results in the cancellation, reclassification or redesignation of the Shares or a change, exchange or conversion of the Shares into or for other shares or securities or property or the transfer of all or substantially all of the assets of the Corporation to another body corporate, trust, partnership or other entity or the Corporation being controlled (within the meaning of the Tax Act) by another corporation or entity,

(any such event being herein called a **"Capital Reorganization"**), then, immediately upon the effective time of such Capital Reorganization and at all times thereafter, a Holder who exercises his, her or its right to acquire Shares shall be entitled to be issued and receive, and shall accept for the same aggregate consideration, upon such exercise, in lieu of the number of Shares to which he or she was theretofore entitled upon exercise of his, her or its Warrants, the kind and aggregate number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such Capital Reorganization or any other corporation that a Holder would have been entitled to be issued and receive upon such Capital Reorganization if, immediately prior to the effective time thereof, such Holder had been the registered holder of the number of Shares to which he or she was theretofore entitled upon exercise of his, her or its Warrants.

(d) If determined appropriate to give effect to or to evidence the provisions of Section 5.1(l)(c) on the advice of counsel, the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such Capital Reorganization, enter into an agreement which shall provide, to the extent possible, for the application of the provisions set forth in this Agreement with respect to the rights and interests thereafter of the Holders to the end that the provisions set forth in this Agreement shall thereafter correspondingly be made applicable, as nearly as may reasonably be possible, with respect to any shares, other securities or property to which a Holder is entitled on the exercise of its acquisition rights thereafter. Any agreement entered into between the Corporation and the Warrant Agent pursuant to the provisions of this Section 5.1(l)(d) shall be a supplemental agreement entered into pursuant to the provisions of Article 13 hereof. Any agreement entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in Section 5.1(l)(c) and which shall apply to successive reclassifications, reorganizations, amalgamations, consolidations, mergers, sales or conveyances.

(e) Except for the completion by the Corporation of a Qualifying Transaction, the Corporation shall not complete or facilitate a Capital Reorganization if the effect of such transaction is that:

(i) all or substantially all of the assets of the Corporation become the property of, or are under the control of, or the Corporation is controlled (within the meaning of the Tax Act) by another Person (an **"Acquiring Person"**); and

(ii) holders of Shares receive any other security in replacement of, or in addition to, or in consideration for their Shares,

unless, at or prior to the effective time of such Capital Reorganization, the holders of Shares vote in favour of such Capital Reorganization, or the Acquiring Person agrees to be bound by the terms of this Agreement by executing and delivering such supplemental agreement, warrant or other document as may be satisfactory to the Corporation, acting reasonably.

Section 5.2 Adjustment upon Rights Offering

(1) Subject to applicable law and the rules and regulations of any stock exchange having jurisdiction, if and whenever at any time from the date hereof and prior to the Expiry Time, the Corporation fixes a record date for the issuance of rights, options or warrants to all or substantially all the holders of Shares pursuant to which those holders are entitled to subscribe for, purchase or otherwise acquire Shares or Convertible Securities within a period of not more than 45 days from such record date at a price per share, or at a conversion price per share, of less than 95% of the Current Market Price on such record date (any such issuance being herein called a **"Rights Offering"** and the Shares that may be acquired in exercise of the Rights Offering, or upon conversion of the Convertible Securities offered by the Rights Offering, being herein called the **"Offered Shares"**), the number of Shares issuable upon exercise of a Warrant shall be adjusted effective immediately after the applicable record date to a number that is the product of:

(a) the number of Shares issuable upon the exercise of a Warrant in effect on the record date; and

(b) a fraction:

(i) the numerator of which shall be the sum of (A) the number of Shares outstanding on the record date, plus (B) the number of Offered Shares offered pursuant to the Rights Offering or the maximum number of Offered Shares into which the Convertible Securities so offered pursuant to the Rights Offering may be converted, as the case may be; and

(ii) the denominator of which shall be the sum of:

(A) the number of Shares outstanding on the record date; and

(B) the number arrived at when (I) either the product of (x) the number of Offered Shares so offered and the price at which those shares are offered, or the product of (y) the conversion price thereof and the maximum number of Offered Shares for or into which the Convertible Securities so offered pursuant to the Rights Offering may be converted, as the case may be, is divided by (II) the Current Market Price of the Shares on the record date.

Any Offered Shares owned by or held for the account of the Corporation or a Subsidiary of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; if all the rights, options or warrants are not so issued or if all rights, options or warrants are not exercised prior to the expiration thereof, the number of Shares

issuable upon exercise of a Warrant shall be readjusted to that number in effect immediately prior to the record date, and such number shall be further adjusted based upon the number of Offered Shares (or Convertible Securities that are convertible into Offered Shares) actually delivered upon the exercise of the rights, options or warrants, as the case may be, but subject to any other adjustment required hereunder by reason of any event arising after that record date.

(2) If and whenever at any time from the date hereof and prior to the Expiry Time, the Corporation issues or distributes to all or substantially all the holders of Shares, (a) shares of any class other than Shares, or (b) rights, options or warrants exercisable for or into Equity Shares, other than rights, options or warrants exercisable within 45 days from the date of issue thereof at a price, or at a conversion price, of at least 95% of the Current Market Price at the record date for such distribution, or evidences of indebtedness, or (c) any other cash, securities or other property or assets and that issuance or distribution does not constitute a dividend paid in the ordinary course or an Extraordinary Dividend or is not adjusted pursuant to this Section 5.2(2) or a Rights Offering (any of those non-excluded events being herein called a **"Special Distribution"**), the number of Shares issuable upon exercise of a Warrant shall be adjusted effective immediately after the record date at which the Holders of Shares are determined for purposes of the Special Distribution to a number that is the product of

(a) the number of Shares issuable upon exercise of a Warrant in effect on the record date; and

(b) a fraction:

(i) the numerator of which shall be the product of (I) the sum of the number of Shares outstanding on the record date plus the number of Shares which the Holders would be entitled to receive upon exercise of all their outstanding Warrants if they were exercised on the record date and (II) the Current Market Price thereof on that date; and

(ii) the denominator of which shall be:

(A) the product of (I) the sum of the number of Shares outstanding on the record date plus the number of Shares which the Holders would be entitled to receive upon exercise of all their outstanding Warrants if they were exercised on the record date and (II) the Current Market Price thereof on the earlier of such record date and the date on which the Corporation announces its intention to make such Special Distribution; less

(B) the aggregate fair market value, as determined by the Board of Directors, whose determination shall be conclusive, absent manifest error, of the shares, rights, options, warrants, evidences of indebtedness or other assets issued or distributed in the Special Distribution.

Any Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; to the extent that the distribution of shares, rights, options, warrants, evidences of indebtedness or assets is not so made or to the extent that any rights, options or warrants so distributed are not exercised, the number of Shares issuable upon exercise of a Warrant shall be readjusted to the number that would then be in effect based upon shares, rights, options, warrants, evidences of indebtedness or assets actually distributed or based upon the number of Shares or Convertible Securities actually delivered upon the exercise of the rights, options or warrants, as the case may be, but subject to any other adjustment required hereunder by reason of any event arising after the record date.

Section 5.3 Adjustment to Exercise Price and Extraordinary Dividend Threshold

(1) If at any time after the date hereof and prior to the Expiry Time any adjustment in the number of Shares purchasable upon the exercise of any Warrant shall occur as a result of the operation of:

(a) Section 5.1(1);

(b) Section 5.2(1); or

(c) Section 5.2(2), if the event referred to therein constitutes the issue or distribution to all or substantially all the holders of Shares of (i) Equity Shares, or (ii) rights, options or warrants, exercisable, exchangeable for or convertible into Equity Shares at an exchange or conversion price per Equity Share less than the Current Market Price on the record date for such Special Distribution,

then (A) each of the Exercise Price payable upon the subsequent exercise of any Warrants and the Warrant Acceleration Threshold Price (together, the **"Prices"**) shall be simultaneously adjusted by multiplying the applicable Price in effect immediately prior to such adjustment by a fraction which shall be the reciprocal of the fraction employed in the adjustment of the number of Shares issuable upon exercise of the Warrant; and (B) the Extraordinary Dividend Threshold shall be simultaneously adjusted by multiplying the Extraordinary Dividend Threshold in effect immediately prior to such adjustment by a fraction which shall be the reciprocal fraction employed in the adjustment of the number of Shares issuable upon exercise of the Warrant, in each case subject to readjustment upon the operation of, and in accordance with, the provisions of Section 5.1(1), Section 5.2(1) and/or Section 5.2(2), as applicable.

(2) If at any time after the date hereof and prior to the Expiry Time, any Extraordinary Dividend is paid, the then Exercise Price shall on the payment date be reduced by the Excess Amount.

Section 5.4 Entitlement to Shares and Other Securities on Exercise of Warrants

All Shares or shares of any class or other securities which a Holder is at the time in question entitled to receive on the exercise of his or her Warrants, whether or not as a result of adjustments made pursuant to this Article 5, shall, for the purposes of the interpretation of this Agreement, be deemed to be shares or other securities which such Holder is entitled to acquire pursuant to such Warrants.

Section 5.5 No Adjustment for Stock Options, Issuances Below Exercise Prices, etc.

(1) Notwithstanding anything in this Article 5, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Shares, rights, options, warrants or securities exercisable, exchangeable or convertible into Shares, is being made pursuant to this Agreement or pursuant to any stock option or stock purchase plan in force from time to time for directors, officers or employees of the Corporation, or being made to satisfy existing instruments issued and outstanding as of the date of this Agreement.

(2) Notwithstanding anything in this Article 5, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Shares, rights, options, warrants or securities exercisable, exchangeable or convertible into Shares, is made at a price below their respective exercise prices, including the Exercise Price.

Section 5.6 Determination by Corporation's Auditors

In the event of any question arising with respect to the adjustments provided for in this Article 5, including the failure to adjust, such question shall be conclusively determined by the Corporation's Auditors, or if they are unwilling or unable to act, by such other firm of independent accountants accredited by the Canadian Public Accountability Board as may be selected by the Directors, and they shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Warrant Agent, all holders and all other Persons interested therein.

Section 5.7 Proceedings Prior to Any Action Requiring Adjustment

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Shares which are to be received upon the exercise thereof, the Corporation shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation has sufficient authorized capital and that the Corporation may validly and legally issue as fully-paid and non-assessable all the Shares (or other securities) which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

Section 5.8 Action Requiring Adjustment

In case the Corporation, after the date hereof, shall take any action affecting the Shares, other than the actions described in this Article 5 which, in the opinion of the Directors would materially affect the rights of the holders and/or the acquisition rights of the holders, then that number of Shares which are to be received upon the exercise of the Warrants shall be adjusted in such manner, if any, and at such time, by action of the Directors, in their discretion as they may reasonably determine to be equitable to the holders in such circumstances, subject to the prior consent of the Exchange or any other exchange on which the Corporation's securities are then listed.

Section 5.9 Certificate of Adjustment

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Article 5, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of the Corporation's Auditors verifying such calculation, if required by the Warrant Agent. The Warrant Agent shall rely, and shall be protected in so doing, upon the certificate of the Corporation or of the Corporation's Auditors and any other document filed by the Corporation pursuant to this Article 5 for all purposes.

Section 5.10 Notice of Special Matters

The Corporation covenants with the Warrant Agent that, so long as any Warrant remains outstanding, it will announce to the Warrant Agent and to the Holders, by way of notice, its intention to fix a record date that is prior to the Expiry Date for any matter for which an adjustment may be required pursuant to Article 5. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is provided. The notice shall be provided in each case not less than 14 days prior to such applicable record date. If the notice has been provided and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable, file with the Warrant Agent a computation of the adjustment and provide a notice confirming such adjustment computation.

Section 5.11 No Action after Notice

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which might deprive the Holder of a Warrant of the opportunity to exercise its right of acquisition pursuant thereto during the period of 14 days after the giving of the certificate or notices set forth in Section 5.9 and Section 5.10, respectively.

Section 5.12 Protection of Warrant Agent

(1) The Warrant Agent shall not:

(a) at any time be under any duty or responsibility to any Holder to determine whether any facts exist which may require any adjustment contemplated by Article 5, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) be accountable with respect to the validity or value (or the kind or amount) of any Shares or any shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Warrant;

(c) be responsible for any failure of the Corporation to issue, transfer or deliver Shares or certificates for the same upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article 5; or

(d) incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Corporation.

(2) The Warrant Agent shall be entitled to act and rely upon the certificates or adjustment calculations of the Corporation and the Corporation's Auditors and any other documents filed by the Corporation pursuant to Section 5.9, without verification or liability.

Section 5.13 Adjustments Cumulative

The adjustments provided in this Article 5 shall be cumulative and such adjustments shall be made successively whenever an event referred to herein shall occur.

Section 5.14 Participation by Holder

No adjustments shall be made pursuant to this Article 5 if the Holders are entitled to participate in any event described in this Article 5 on the same terms, *mutatis mutandis*, as if the Holders had exercised their Warrants prior to, or on the effective date or record date of, such event.

ARTICLE 6
PURCHASES BY THE CORPORATION

Section 6.1 Optional Purchase by the Corporation

Subject to compliance with Securities Laws and approval of applicable regulatory authorities, the Corporation may from time to time purchase on any stock exchange, in the open market, by private contract or otherwise, any of the Warrants. Any such purchase shall be made at the lowest price or prices at which such Warrants are then obtainable (and agreed to by the sellers of such Warrants), plus reasonable costs of purchase, and may be made in such manner, from such Persons, and on such other terms as the Corporation and the sellers of such Warrants may determine. In the case of Certificated Warrants, the Warrant Certificates representing the Warrants purchased pursuant to this Section 6.1 shall forthwith be delivered to and cancelled by the Warrant Agent upon the written direction of the Corporation. In the case of Uncertificated Warrants, the Warrants purchased pursuant to this Section 6.1 shall be reflected accordingly on the register of Warrants and in accordance with procedures prescribed by the Depository under the book entry registration system. No Warrants shall be issued in replacement thereof.

ARTICLE 7
COVENANTS OF THE CORPORATION

Section 7.1 Issuance of Shares

(1) The Warrants, when issued as herein provided, and in the case of a Warrant Certificate, when countersigned as herein provided, shall be valid and enforceable against the

Corporation and, subject to the provisions of this Agreement, the Corporation shall cause the Shares to be acquired pursuant to the valid exercise of Warrants under this Agreement and the certificates representing such Shares to be duly issued and delivered in accordance with the Warrant Certificates and the terms hereof. At all times prior to the Expiry Date, while any of the Warrants are outstanding, the Corporation shall reserve, and there shall be conditionally allotted but unissued out of its authorized capital, that number of Shares sufficient to enable the Corporation to meet its obligations hereunder. All Shares issued pursuant to the exercise of the Warrants shall be issued as fully paid and non-assessable. The Corporation shall make all requisite filings, and pay all applicable fees, under applicable Securities Laws to report the exercise of the Warrants.

(2) As long as any Warrants remain outstanding, the Corporation covenants to the Warrant Agent for the benefit of the Holders as follows:

(a) it will maintain its corporate existence and carry on and conduct its business in a prudent manner in accordance with industry standards and good business practice;

(b) it will use commercially reasonable efforts to maintain its status as a reporting issuer or equivalent under the applicable securities laws of at least one of the provinces or territories of Canada (but this shall in no way prevent any tender offer, merger or similar transaction);

(c) it will use commercially reasonable efforts to maintain the listing of its outstanding Shares on the Exchange and to seek to ensure the Shares issuable upon the exercise of the Warrants will be listed and posted for trading on such exchange simultaneously with or as soon as practicable following their issue (but this shall in no way prevent any tender offer, merger or similar transaction);

(d) it will do, execute, acknowledge and deliver or cause to be done, executed acknowledged and delivered, all other acts, deeds and assurances as the Warrant Agent may reasonably require for better accomplishing and affecting the provisions of this Agreement;

(e) it will reserve and there shall be conditionally allotted but unissued out of its authorized capital, that number of Shares sufficient to enable the Corporation to meet its obligations hereunder;

(f) all Shares which are issued upon the exercise of the right to subscribe for and purchase provided for herein, upon payment of the Exercise Price, shall be fully paid and non-assessable; and

(g) it will duly and punctually perform and carry out all of the acts and things to be done by it as provided in this Agreement.

Section 7.2 To Pay Warrant Agent Remuneration and Expenses

The Corporation covenants that it shall pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and shall pay or reimburse the Warrant Agent upon its

request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of its duties hereunder (including the reasonable compensation and the disbursements of its counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed, except any such expenses, disbursements or advances as may arise out of or result from the Warrant Agent's gross negligence, wilful misconduct or bad faith. The Warrant Agent shall not have any recourse against the securities or any other property held by it pursuant to this Agreement for payment of its fees, remuneration, expenses, disbursements, advances or any reimbursement hereunder and the Warrant Agent acknowledges and agrees that it shall not be entitled to and waives any rights to or interest in any of the Escrow Funds in the escrow account under any circumstances. It is expressly understood that the Escrow Funds shall not be used to pay any of the Warrant Agent's fees, remuneration, expenses, disbursements, advances or any reimbursement. Any amount owing under this Section 7.2 and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Warrant Agent against unpaid invoices and shall be payable upon demand. This Section 7.2 shall survive the resignation of the Warrant Agent or the termination of this Agreement.

Section 7.3 To Perform Covenants

The Corporation shall duly and punctually perform and carry out all of the acts or things to be done by it as provided in this Agreement and that it shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as the Warrant Agent may reasonably require for the better accomplishing and effecting the intentions and provisions of this Agreement.

Section 7.4 Warrant Agent May Perform Covenants

If the Corporation shall fail to perform any of its covenants contained in this Agreement, the Warrant Agent may notify the Holders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it but shall be under no obligation to perform said covenants or to notify the Holders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 7.2. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

Section 7.5 Corporation Not Reporting in United States

The Corporation confirms that as at the date of execution of this Agreement it does not have a class of securities registered pursuant to Section 12 of the U.S. Securities Exchange Act or have a reporting obligation pursuant to Section 15(d) of the U.S. Securities Exchange Act. The Corporation covenants that in the event that (a) any class of its securities shall become registered pursuant to Section 12 of the U.S. Securities Exchange Act or the Corporation shall incur a reporting obligation pursuant to Section 15(d) of the U.S. Securities Exchange Act, or (b) any such registration or reporting obligation shall be terminated by the Corporation in accordance with the U.S. Securities Exchange Act, the Corporation shall promptly deliver to the Warrant Agent an Officer's Certificate in a form provided by the Warrant Agent notifying the Warrant

Agent of such registration or termination and such other information as the Warrant Agent may require at the time. The Corporation acknowledges that the Warrant Agent is relying upon the foregoing representation and covenants in order to meet certain obligations with respect to those clients who are filing with the SEC.

ARTICLE 8
ENFORCEMENT

Section 8.1 Suits by Holders of Warrants

Subject to Section 10.11, all or any of the rights conferred upon any Holder by any of the terms of the Warrant Certificates, Uncertificated Warrants or this Agreement may be enforced by the Holder by appropriate legal proceedings but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Holders.

Section 8.2 Suits by the Corporation

The Corporation shall have the right to enforce full payment of the Exercise Price of all Shares issued to a Holder hereunder upon exercise of any Warrant, and shall be entitled to demand such payment from the Holder or alternatively to instruct the Warrant Agent to cancel the certificates and amend the securities register accordingly.

Section 8.3 Immunity of Shareholders, etc.

The Warrant Agent and the holders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, director, officer, employee or agent of any of the Corporation, any Successor Corporation or the Sponsor (or of the Sponsor itself) on any covenant, agreement, representation or warranty by the Corporation herein.

Section 8.4 Limitation of Liability

The obligations hereunder are not personally binding upon, nor shall resort hereunder be had to, the private property of any of the past, present or future directors, officers, shareholders, employees or agents of any of the Corporation, Successor Corporation or of the Sponsor or the Sponsor itself, but only the property of the Corporation or any Successor Corporation shall be bound in respect hereof.

Section 8.5 Waiver of Default

(1) Upon the happening of any default hereunder:

(a) the Holders of not less than 66 2/3% of the aggregate number of the Warrants then outstanding shall have the power (in addition to the powers exercisable by Extraordinary Resolution) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or

(b) the Warrant Agent shall have the power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, if, in the Warrant Agent's opinion based on the advice of Counsel, the same shall have been cured or adequate provision made therefor,

provided that no delay or omission of the Warrant Agent or of the Holders, as applicable, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and provided further that no act or omission either of the Warrant Agent or the Holders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder or the rights resulting therefrom.

ARTICLE 9
SUCCESSOR CORPORATIONS

Section 9.1 Certain Requirements

A successor corporation (as the result of an amalgamation or merger with the Corporation) (a "**Successor Corporation**"), shall, to the extent necessary and desirable, execute, before or contemporaneously with the consummation of any such transaction, an agreement supplemental hereto together with such other instruments as are satisfactory to the Warrant Agent and are necessary or advisable to evidence the assumption by the Successor Corporation of the due and punctual observance and performance of all the covenants and obligations of the Corporation under this Agreement.

Section 9.2 Vesting Of Powers in Successor

Whenever the conditions of Section 9.1 have been duly observed and performed, the Successor Corporation shall possess and from time to time may exercise each and every right and power of the Corporation under this Agreement in the name of the Corporation or otherwise and any act or proceeding by any provision of this Agreement required to be done or performed by any Directors or officers of the Corporation may be done and performed with like force and effect by the directors or officers of such Successor Corporation.

ARTICLE 10
MEETINGS OF HOLDERS OF WARRANTS

Section 10.1 Right to Convene Meetings

The Warrant Agent shall on receipt of a written request of the Corporation or a Holders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Holders signing such request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Holders. In the event of the Warrant Agent failing, within seven days after receipt of any such request and such indemnity and funding, to give notice convening a meeting, the Corporation or such Holders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Toronto, Ontario, or at such other place as may be approved or determined by the Warrant Agent.

Section 10.2 Notice of Meetings

At least 21 calendar days' prior written notice of any meeting of the Holders shall be given to the Holders in the manner provided in Article 11, and a copy thereof must be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent), and to the Corporation (unless the meeting has been called by the Corporation). Such notice must state the time when and the place where the meeting is to be held and state briefly the general nature of the business to be transacted thereat with such information as to enable the Holders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 10.

Section 10.3 Chairman

An individual (who need not be a Holder) designated in writing by the Corporation shall be the chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within 15 minutes from the time fixed for the holding of the meeting, the Holders present in Person or by proxy shall choose an individual present to be chairman. The chairman of the meeting need not be a holder.

Section 10.4 Quorum

Subject to Section 10.12, at any meeting of the Holders a quorum shall be two persons (including beneficial holders of the Warrants) present in person, each being a Holder entitled to vote thereat or a duly appointed proxyholder or representative for an absent Holder so entitled, and together holding or representing by proxy more than 20% of the aggregate number of the Warrants then outstanding. If a quorum is present at the opening of any meeting of Holders, the Holders present or represented by proxy may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Holders or pursuant to a Holders' Request, shall be dissolved; but in any other case, the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Holders present in Person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not hold or represent by proxy more than 20% of the aggregate number of the Warrants then outstanding.

Section 10.5 Power to Adjourn

The chairman of any meeting at which a quorum is present may, with the consent of the meeting, adjourn any such meeting and no notice of such adjournment need be given, except such notice, if any, as the meeting may prescribe.

Section 10.6 Show Of Hands

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on Extraordinary Resolutions shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

Section 10.7 Poll

On every Extraordinary Resolution, and on any other question submitted to a meeting when demanded by the chairman or by one or more Holders and/or proxies for Holders, a poll must be taken in such manner and either at once or after an adjournment, as the chairman directs. Questions other than Extraordinary Resolutions shall, if a poll is taken, be decided by a majority of the votes cast on the poll.

Section 10.8 Voting

On a show of hands, every Person who is present and entitled to vote, whether as a Holder or as proxy for one or more Holders or both, shall have one vote. On a poll, each Holder present in Person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each Warrant held or represented by that Person. A proxy need not be a Holder. In the case of joint Holders of a Warrant, any one of them present in Person or by proxy at the meeting may vote in the absence of the other or others; but in case that more than one of them is present in Person or by proxy, they must vote together in respect of the Warrants of which they are joint Holders. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of any Warrants held or represented by him or her, but shall not have a second or deciding vote.

Section 10.9 Regulations

(1) The Corporation may from time to time, make or vary or restate such regulations as it shall from time to time think fit regarding the following:

(a) providing for and governing the voting by proxy by Holders and the form of instrument appointing proxies and the manner in which the same shall be executed, and for the production of the authority of any Person signing on behalf of the giver of such proxy;

(b) for the deposit of instruments appointing proxies at such place as the Corporation or the Holders convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same must be deposited;

(c) for the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, telecopied or sent by facsimile

before the meeting to the Corporation or to the Warrant Agent at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting; and

(d) generally, the calling of meetings of Holders and the conduct of business thereat.

(2) Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Except as such regulations may provide, the only Persons who shall be recognized at any meeting as Holders, or as entitled to vote or be present at the meeting in respect thereof (subject to Section 10.10), shall be the Holders and Persons whom the Holders have by instrument in writing duly appointed as their proxies.

Section 10.10 Corporation and Warrant Agent May Be Represented

The Corporation and the Warrant Agent, by their respective officers, directors, advisors, agents or employees, and the legal advisers of the Corporation and the Warrant Agent, may attend any meeting of the Holders, and shall be recognized and given reasonable opportunity to speak to any resolutions proposed for consideration by the meeting, but shall not be entitled to vote thereat, whether in respect of any Warrants held by them or otherwise.

Section 10.11 Powers Exercisable By Extraordinary Resolution

(1) Subject to applicable law and the rules and regulations of any stock exchange having jurisdiction, in addition to the powers conferred upon them by any other provisions of this Agreement or by law, the Holders at a meeting shall have the power, exercisable from time to time by Extraordinary Resolution:

(a) with the consent of the Corporation, such consent not to be unreasonably withheld, to sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Holders and/or the Warrant Agent in its capacity as warrant agent hereunder (with the prior written approval of the Warrant Agent) against the Corporation, or against its property, whether such rights arise under this Agreement or the Warrant Certificates or otherwise;

(b) to assent to any modification of or change in or addition to or omission from the provisions contained in this Agreement or in the Warrant Certificates which must be agreed to by the Corporation and the Warrant Agent and to authorize the Warrant Agent to concur in and execute any Agreement supplemental hereto embodying any such modification, change, addition or omission;

(c) to direct or authorize the Warrant Agent to exercise any power, right, remedy or authority given to it by this Agreement in any manner specified in any such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;

(d) to waive and direct the Warrant Agent to waive any default of the Corporation hereunder either unconditionally or upon any condition specified in such Extraordinary Resolution;

(e) to restrain any Holder from taking or instituting any suit, action or proceeding for the purpose of enforcing any of the covenants of the Corporation contained in this Agreement or the Warrant Certificates, or for the execution of any power hereunder;

(f) to direct any Holder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Holder in connection therewith;

(g) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Holders; and

(h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Warrant Agent or its successor in office and to appoint a new warrant agent or warrant agents to take the place of the Warrant Agent so removed.

Section 10.12 Meaning of "Extraordinary Resolution"

(1) The expression "Extraordinary Resolution" when used in this Agreement means, subject as provided in this Article 10, a resolution proposed to be passed at a meeting of Holders duly convened and held in accordance with the provisions of this Article 10 at which there are Holders present in Person or by proxy of not less than 20% of the aggregate number of the Warrants then outstanding and passed by the affirmative votes of the Holders of not less than 66 2/3% of the aggregate number of the Warrants then outstanding represented at the meeting and voted on a poll upon such resolution.

(2) If, at any such meeting, the Holders of not less than 20% of the Warrants then outstanding, are not present in Person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of the Holders, shall be dissolved; but in any other case it shall stand adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than seven days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided in Article 11. Such notice must state that at the adjourned meeting, the Holders present in Person or by proxy shall form a quorum, but that it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting, the Holders present in Person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 10.12(1) shall be an Extraordinary Resolution within the meaning of this Agreement, notwithstanding that Holders of not less than 20% of the Warrants then outstanding are not present in Person or by proxy at such adjourned meeting.

(3) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

Section 10.13 Powers Cumulative

It is hereby declared and agreed that any one or more of the powers and/or any combination of the powers in this Agreement stated to be exercisable by the Holders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the rights of the Holders to exercise the same or any other such power or combination of powers thereafter from time to time.

Section 10.14 Minutes

Minutes of all resolutions and proceedings at every meeting of Holders shall be made and duly entered in books to be from time to time provided for that purpose by the Warrant Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or secretary of the meeting at which such resolutions were passed or proceedings had, or by the chairman or secretary of the next succeeding meeting (if any) of the Holders, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat, to have been duly passed and taken.

Section 10.15 Instruments in Writing

All actions which may be taken and all powers which may be exercised by the Holders at a meeting held as hereinbefore provided in this Article 10 provided may also be taken and exercised by Holders of not less than 66 2/3% of the Warrants then outstanding by an instrument in writing signed in one or more counterparts and the expression “Extraordinary Resolution” when used in this Agreement shall include an instrument so signed.

Section 10.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 10 at a meeting of Holders shall be binding upon all holders, whether present at or absent from such meeting, and every instrument in writing signed by the Holders in accordance with Section 10.15 shall be binding upon all the holders of Warrants, whether signatories thereto or not, and each and every holder shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing. In the case of an instrument in writing, the Warrant Agent shall give notice of the effect of the instrument in writing to all Holders and the Corporation as soon as reasonably practicable.

Section 10.17 Holdings by Corporation and its Subsidiaries Disregarded

In determining whether a Holder holding Warrant Certificates evidencing the entitlement to acquire the required number of Shares are present at a meeting of Holders for the purpose of determining a quorum or have concurred in any consent, waiver, Extraordinary Resolution, Holders' Request or other action under this Agreement, Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation and not cancelled shall be disregarded.

ARTICLE 11
NOTICES

Section 11.1 Notice to the Corporation and the Warrant Agent

(1) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if delivered or if sent by letter, postage prepaid, or by e-mail or facsimile transmission:

If to the Corporation, to:

Canaccord Genuity Growth Corp.
161 Bay Street
Suite 3000
Toronto, Ontario
M5J 2S1

Attention: Jackie Allen, Corporate Secretary
Email: Jackie.Allen@canaccord.com

If to the Warrant Agent, to:

Odyssey Trust Company
350, 300 5th Avenue SW
Calgary, AB T2P 3C4

Attention: Dan Sander

Email: dsander@odysseytrust.com

and any such notice delivered in accordance with the foregoing, including delivery by email, shall be deemed to have been received on the date of delivery or if sent by facsimile transmission, on the first Business Day following such transmission or, if mailed, on the fifth Business Day following the date of the postmark on such notice.

(2) The Corporation or the Warrant Agent, as the case may be, may from time to time, notify the others in the manner provided in Section 11.1(1) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Agreement.

Section 11.2 Notice to Holders of Warrants

Except as herein otherwise expressly provided and subject to Section 11.3, any notice required or permitted to be given to Holders under the provisions of this Agreement shall be deemed to be validly given if personally delivered, if sent by ordinary post to the Holders at their addresses appearing in one of the registers hereinbefore mentioned, or if issued by a press release, at the Corporation's discretion; provided that a notice given pursuant to Section 4.3 or Section 5.10 may not be provided by issuing a press release. Any notice so sent shall be deemed to have been received on the next Business Day after the date of delivery to such address or, if mailed, on the fifth Business Day following the date on which it was mailed, or if disseminated by way of press release, on the day it is so issued. In the event that Warrants are held in the name of the Depository, a copy of such notice shall also be sent by electronic communication to the Depository and shall be deemed received and given on the day it is so sent. Accidental error or omission in giving notice or accidental failure to give notice to Holders shall not invalidate any action or proceeding founded thereon. In determining under any provision hereof the date when notice of any meeting or other event must be given, the date of giving notice shall be included and the date of the meeting or other event shall be excluded.

Section 11.3 Mail Service Information

(1) If, by reason of any interruption of mail service, actual or threatened, any notice to be given to the Holders, the Warrant Agent or the Corporation would be unlikely to reach its destination in the ordinary course of mail, such notice shall be valid and effective only if the notice is:

   (a) in the case of the Warrant Agent or the Corporation, delivered to an officer of the party to which it is addressed or if sent to such party, at the appropriate address in accordance with Section 11.1 by e-mail, facsimile or other means of prepaid transmitted or recorded communication; and

   (b) in the case of Holders, published once (i) in the national edition of The Globe & Mail, and (ii) in such other place or places and manner, if any, as the Warrant Agent may require.

(2) Any notice given to the Holders by publication shall be deemed to have been given on the last day on which publication shall have been effected as required pursuant to Section 11.3(1).

(3) Accidental error or omission in giving notice or accidental failure to mail notice to any Holder will not invalidate any action or proceeding founded thereon.

ARTICLE 12
CONCERNING THE WARRANT AGENT

Section 12.1 No Conflict of Interest

The Warrant Agent represents to the Corporation, to the best of its knowledge that, at the date of the execution and delivery of this Agreement, there exists no material conflict of interest in its

duties and obligations as a warrant agent hereunder. In the event of a material conflict of interest arising in the Warrant Agent's role as warrant agent hereunder, the Warrant Agent shall, as soon as practicable but in any case within 90 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its duties and obligations hereunder to a successor Warrant Agent approved by the Corporation. Notwithstanding the foregoing provisions of this Section 12.1, if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Agreement and the Warrant Certificate(s) shall not be affected in any manner whatsoever by reason hereof.

Section 12.2 Replacement of Warrant Agent

(1) The Warrant Agent may resign and be discharged from all duties and liabilities hereunder by giving to the Corporation at least 45 days' notice in writing or such shorter notice as the Corporation may accept as sufficient. Subject to Section 10.1l(l)(h), the Holders by Extraordinary Resolution shall have the power, at any time, to remove the existing Warrant Agent and to appoint a new Warrant Agent. If the Warrant Agent resigns or is removed by Extraordinary Resolution or is dissolved, becomes bankrupt, goes into liquidation or otherwise becomes incapable of acting hereunder, the Corporation shall forthwith appoint a new Warrant Agent unless a new Warrant Agent has already been appointed by the Holders; failing such appointment by the Corporation, the retiring Warrant Agent or any Holder may apply to a judge of a court having jurisdiction, on such notice as such judge may direct, for the appointment of a new Warrant Agent; but any new Warrant Agent so appointed by the Corporation or by a court of competent jurisdiction in the Province of Ontario shall be subject to removal as aforesaid by the Holders. Any new Warrant Agent appointed under any provision of this Section 12.2(1) must be a corporation authorized to carry on the business of a transfer agent in one or more provinces in Canada. On any new appointment, the new Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent without any further assurances, conveyances, acts or deeds. If, for any reason, it becomes necessary or expedient to execute any further deed or assurance, the former Warrant Agent shall, at the expense of the Corporation, execute the same in favour of the new warrant agent.

(2) Any corporation into which the Warrant Agent is amalgamated or with which it is consolidated or to which all or substantially all of its corporate trust business is sold or is otherwise transferred or any corporation resulting from any consolidation or amalgamation to which the Warrant Agent is a party shall become the successor Warrant Agent under this Agreement, without the execution of any document or any further act.

(3) Upon the appointment of a new Warrant Agent, the Corporation shall promptly notify the Holders thereof in the manner prescribed by Section 11.1 (2) hereof.

Section 12.3 Evidence, Experts and Advisers

(1) In addition to the reports, certificates, opinions and other evidence required by this Agreement, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as the Warrant Agent may reasonably require by written notice to the Corporation.

(2) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to any provision hereof or pursuant to a request of the Warrant Agent, not only as to its due execution and the validity and effectiveness of its provisions, but also to the truth and acceptability of any information therein contained which the Warrant Agent in good faith believes to be genuine.

(3) Proof of the execution of an instrument in writing, including a Holders' Request, by any Holder may be made by the certificate of a notary public, or other officer with similar powers, that the Person signing such instrument acknowledged to it the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Warrant Agent may consider adequate. In respect of a corporate Holder, such instrument shall include a certificate of incumbency of such holder together with a certified resolution authorizing the person who signs such instrument to sign such instrument.

(4) The Warrant Agent may, at the expense of the Corporation, employ or retain such counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with reasonable care by the Warrant Agent. The Warrant Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser, engineer or other expert or adviser, whether retained or employed by the Corporation or by the Warrant Agent, in relation to any matter arising in the administration of the agency hereof.

Section 12.4 Warrant Agent May Deal in Securities

Subject to Section 12.1, the Warrant Agent may buy, sell, lend upon and deal in securities of the Corporation and generally contract and enter into financial transactions with the Corporation or otherwise, without being liable to account for any profits made thereby.

Section 12.5 Warrant Agent Not Ordinarily Bound

Except as otherwise specifically provided herein, the Warrant Agent shall not be bound to give notice to any Person of the execution hereof, nor to do, observe or perform or see to the observance or performance by the Corporation of any of the obligations herein imposed upon the Corporation or of the covenants on the part of the Corporation herein contained.

Section 12.6 Warrant Agent Not Required To Give Security

The Warrant Agent shall not be required to give any bond or security in respect of the execution or administration of its duties under this Agreement or otherwise in respect of the premises.

Section 12.7 Warrant Agent Not Required To Give Notice of Default

The Warrant Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required to do so under the terms hereof; nor shall the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and in the absence of any such notice, the Warrant Agent may, for all purposes of this Agreement, conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.

Section 12.8 Acceptance of Appointment

The Warrant Agent hereby accepts its appointment as warrant agent under this Agreement and agrees to perform its duties hereunder upon the terms and conditions herein set forth or referred to unless and until discharged therefrom by resignation or in some other lawful way.

Section 12.9 Duties of Warrant Agent

(1) The Warrant Agent, in exercising its powers and discharging its duties hereunder, shall:

(a) act honestly and in good faith; and

(b) exercise the care, diligence and skill that a reasonably prudent warrant agent would exercise in comparable circumstances.

Section 12.10 Actions by Warrant Agent

(1) The Warrant Agent shall have the power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Holders.

(2) Subject only to Section 12.7, the obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Holders hereunder shall be conditional upon the Holders delivering to the Warrant Agent:

(a) a Holder’s Request or Extraordinary Resolution directing the Warrant Agent to take such act, action, or proceeding;

(b) sufficient funds to commence or continue such act, action or proceeding; and

(c) an indemnity reasonably satisfactory to the Warrant Agent to protect and hold harmless the Warrant Agent and its officers, directors, employees and agents, against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damages it may suffer by reason thereof.

(3) None of the provisions contained in this Agreement shall require the Warrant Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.

(4) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Holders, at whose instance it is acting, to deposit with the Warrant Agent the Warrants held by them, for which Warrants the Warrant Agent shall issue receipts.

(5) No duty shall rest with the Warrant Agent to determine compliance of the transferor or transferee with applicable securities laws. The Warrant Agent shall be entitled to assume that all transfers are legal and proper.

Section 12.11 Protection of Warrant Agent

(1) By way of supplement to the provisions of any law for the time being relating to warrant agents, it is expressly declared and agreed as follows:

(a) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Agreement or in the Warrant Certificates (except the representation contained in Section 12.1) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;

(b) nothing herein contained shall impose any obligation on the Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Agreement or any instrument ancillary or supplemental hereto;

(c) the Warrant Agent shall not be bound to give notice to any Person or Persons of the execution hereof;

(d) notwithstanding the foregoing or any other provision of this Agreement, any liability of the Warrant Agent shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Corporation to the Warrant Agent under this Agreement in the twelve (12) months immediately prior to the Warrant Agent receiving the first notice of the claim. Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Warrant Agent shall not be liable under any circumstances whatsoever for any (i) breach by any other party of securities law or other rule of any securities regulatory authority; (ii) lost profits; or (iii) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages;

(e) the Warrant Agent shall not be liable for any error in judgment or for any act done or step taken or omitted by it in good faith or for any mistake, in fact or law, or for anything which it may do or refrain from doing in connection herewith except arising out of its own gross negligence, fraud, bad faith or willful misconduct;

(f) in the event that any of the funds provided to the Warrant Agent hereunder are received by it in the form of an uncertified cheque or bank draft, the Warrant Agent shall be entitled to delay the time for release of such funds until such uncertified cheque has cleared the financial institution upon which the same is drawn; and

(g) the forwarding of a cheque or the sending of funds by wire transfer by the Warrant Agent will satisfy and discharge the liability of any amounts due to the extent of the sum represented thereby unless such cheque is not honoured on presentation, provided that in the event of the non-receipt of such cheque by the payee, or the loss or destruction thereof, the Warrant Agent, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and indemnity reasonably satisfactory to it, will issue to such payee a replacement cheque for the amount of such cheque.

Section 12.12 Indemnification of the Warrant Agent

The Corporation hereby indemnifies and agrees to hold harmless the Warrant Agent, its affiliates, their officers, directors, employees, agents, successors and assigns (the "**Indemnified Parties**") from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits, proceedings, costs, charges, assessments, judgments, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Indemnified Parties, or any of them, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties' duties, or any other services that Warrant Agent may provide in connection with this Warrant Agency Agreement. The Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that the Corporation shall not be required to indemnify the Indemnified Parties in the event of the gross negligence, fraud, wilful misconduct or bad faith of any Indemnified Party, and this provision shall survive the resignation or removal of the Warrant Agent or the termination or discharge of this Warrant Agency Agreement. For greater certainty, it is expressly agreed and understood that the Escrow Funds shall not be used to pay any of the Indemnified Parties' fees, expenses or disbursements, certificates or claims, and the Warrant Agent acknowledges and agrees that it shall not be entitled to and waives any rights to or interest in any of the Escrow Funds in the escrow account under any circumstances.

Section 12.13 Third Party Interests

The Corporation hereby represents to the Warrant Agent that any account to be opened by, or interest to held by the Warrant Agent in connection with this Agreement, for or to the credit of such party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Warrant Agent's prescribed form as to the particulars of such third party.

Section 12.14 Not Bound To Act

The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on 10 days' prior written notice to the Corporation, provided that (a) the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (b) if such circumstances are rectified to the Warrant Agent's satisfaction within such 10-day period, then such resignation shall not be effective.

Section 12.15 Privacy Laws

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation shall, prior to transferring or causing to be transferred personal information to the Warrant Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Warrant Agent shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

ARTICLE 13
SUPPLEMENTAL AGREEMENTS

Section 13.1 Supplemental Agreements

(1) From time to time, the Warrant Agent and, when authorized by a resolution of its Directors, the Corporation, may, subject to the provisions hereof, and they shall, when required by this Agreement, execute, acknowledge and deliver, by their proper officers, deeds or agreements supplemental hereto, which thereafter shall form part hereof, for any one or more of the following purposes:

(a) adding to the covenants of the Corporation herein contained for the protection of the Holders in addition to those herein specified;

(b) making such provision not inconsistent with this Agreement as may be necessary or desirable with respect to matters or questions arising hereunder provided that the Warrant Agent shall be of the opinion, relying on the advice of Counsel, that such provisions shall not be prejudicial to the interests of the Holders;

(c) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrant Certificates and making any modification in the form of the Warrant Certificate which does not affect the substance thereof;

(d) evidencing the succession, or successive successions, of other corporations to the Corporation and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Agreement;

(e) giving effect to any Extraordinary Resolution passed as provided in Article 10;

(f) setting forth adjustments in the application of the provisions of Article 5; and

(g) for any other purpose not inconsistent with the terms of this Agreement, provided that in the opinion of the Warrant Agent relying on the advice of Counsel, the rights of the Warrant Agent and of the Holders are in no way prejudiced thereby.

(2) The Warrant Agent may also, without the consent or concurrence of the Holders, by supplemental agreement or otherwise, concur with the Corporation in making any changes or corrections in this Agreement which it has been advised by its counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or clerical omission or mistake or manifest error contained herein or in any deed or agreement supplemental or ancillary hereto, provided that in the opinion of the Warrant Agent, relying on the advice of Counsel, the rights of the Warrant Agent and of the Holders are in no way prejudiced thereby.

ARTICLE 14
GENERAL PROVISIONS

Section 14.1 Execution

This Agreement may be simultaneously executed in several counterparts, and may be executed by facsimile or other means of electronic communication producing a printed copy, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, and notwithstanding their date of execution, they shall be deemed to be dated as of the date hereof.

Section 14.2 Rights of Rescission

Should a Holder of Warrants exercise any legal, statutory, contractual or other right of withdrawal or rescission that may be available to it, and the Holder's funds which were paid on exercise have already been released to the Corporation by the Warrant Agent, the Warrant Agent shall not be responsible for ensuring the exercise is cancelled and a refund is paid back to the Holder. In such cases, the Holder shall seek a refund directly from the Corporation and subsequently, the Corporation shall instruct the Warrant Agent in writing, to cancel the exercise transaction and cause the cancellation of any Shares on the register, which may have already been issued upon the Warrant exercise. In the event that any payment is received from the Corporation by virtue of the Holder being a shareholder for such Warrants that were subsequently rescinded, such payment must be returned to the Corporation by such Holder. The Warrant Agent shall not be under any duty or obligation to take any steps to ensure or enforce that the funds are returned pursuant to this Section 14.2, nor shall the Warrant Agent be in any other way responsible in the event that any payment is not delivered or received pursuant to this Section 14.2. Notwithstanding the foregoing, in the event that the Corporation provides the refund to the Warrant Agent for distribution to the Holder, the Warrant Agent shall return such funds to the Holder as soon as reasonably practicable, and in so doing, the Warrant Agent shall incur no liability with respect to the delivery or non-delivery of any such funds.

Section 14.3 Force Majeure

Neither party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 14.3.

Section 14.4 Satisfaction and Discharge of Agreement

Upon the earlier of:

(1) the date by which there shall have been delivered to the Warrant Agent for exercise or cancellation all Warrants theretofore issued hereunder; and

(2) the Expiry Time,

and if all certificates representing Shares, if any, required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Warrant Agent in accordance with such provisions, this Agreement shall cease to be of any force and effect and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Agreement have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Agreement. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Agreement.

Section 14.5 Warrants Owned by the Corporation or its Subsidiaries - Certificate to be Provided

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation in Section 10.17 hereof, the Corporation shall provide to the Warrant Agent, from time to time, a certificate of the Corporation setting forth as at the date of such certificate:

(1) the names (other than the name of the Corporation) of the Holders of Warrants which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation or any Subsidiary of the Corporation; and

(2) the number of Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation have not been cancelled;

and the Warrant Agent, in making the computations in Section 10.17 hereof, shall be entitled to rely on such certificate without any additional evidence.

Section 14.6 Provisions of Agreement and Warrants for the Sole Benefit of Parties and Holders

Nothing in this Agreement or in the Warrant Certificates, expressed or implied, shall give or be construed to give to any Person other than the parties thereto and the Holders, as the case may be, any legal or equitable right, remedy or claim under this Agreement, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Holders.

IN WITNESS WHEREOF the parties hereto have executed these presents under the hands of their proper officers in that behalf.

CANACCORD GENUITY GROWTH CORP.

By: (Signed) *Michael Shuh*
Name: Michael D. Shuh
Title: Chief Executive Officer

ODYSSEY TRUST COMPANY

By: (Signed) *Jay Campbell*
Name: Jay Campbell
Title: Authorized Signatory

By: (Signed) *Dan Sander*
Name: Dan Sander
Title: Authorized Signatory

SCHEDULE "A"

CANACCORD GENUITY GROWTH CORP.
FORM OF WARRANT CERTIFICATE

Certificate No. ●
CUSIP CA 13480D111

Share Purchase Warrants

[If issued pursuant to Section 2.13(1) of the Warrant Agency Agreement, insert:

"THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE ON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR U.S. STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO CANACCORD GENUITY GROWTH CORP. (THE "CORPORATION") OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, AFTER THE HOLDER HAS FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. THE SECURITIES REPRESENTED HEREBY CANNOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."]

[If issued pursuant to Section 2.13(2) of the Warrant Agency Agreement, insert:

"THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE ON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR U.S. STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO CANACCORD GENUITY GROWTH CORP. (THE "CORPORATION"); (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES

LAWS, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."]

[For all Warrants issued to Qualified Institutional Buyers, insert:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR PERSON IN THE UNITED STATES UNLESS THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.]

THE WARRANTS REPRESENTED HEREBY WILL BE VOID AFTER THE EXPIRY TIME AS DESCRIBED HEREIN.

THIS CERTIFICATE IS TO CERTIFY that for value received ● (herein referred to as the "**Holder**") is the registered holder of the number of Warrants of Canaccord Genuity Growth Corp. (the "**Corporation**") stated above, and subject to adjustment provisions as set forth in the Warrant Agency Agreement (as defined below), is entitled to acquire, on a date that is at least 65 days following the date of the closing of the Qualifying Transaction of the Corporation (the "**Commencement Time**") (at which time, as the remaining Class A Restricted Voting Shares of the Corporation would, under their current terms (as of the date of the Warrant Agency Agreement), have been automatically converted into Common Shares, each Warrant would be exercisable for one Common Share) and up until 5:00 p.m. (Toronto time) on the date that is five years after the date of completion of a Qualifying Transaction of the Corporation, or the next succeeding Business Day if such date is not a Business Day (the "**Expiry Date**"), upon payment of Cdn.$3.45 (the "**Exercise Price**") for each Warrant represented hereby, one Share (as defined herein), all in the manner and subject to the restrictions and adjustments set forth in the Warrant Agency Agreement, provided that if a Qualifying Transaction of the Corporation is not consummated during the Permitted Timeline, the Expiry Date shall be the last date of the Permitted Timeline, and further provided that if an Acceleration Event occurs and the Corporation accelerates the Expiry Date in accordance with Section 4.3 of the Warrant Agency Agreement, the Expiry Date shall be determined in accordance with Section 4.3 of the Warrant Agency Agreement.

For purposes of this Certificate, any reference to "**Shares**" shall mean the Class A Restricted Voting Shares for which the Warrants are conferred the right to acquire, provided that under their current terms (as of the date of the Warrant Agency Agreement), at the time of the closing of the

Qualifying Transaction of the Corporation, any issued and outstanding Class A Restricted Voting Shares remaining would automatically convert into Common Shares, and all references to "**Shares**" herein would thereafter mean the Common Shares (as the context requires), and provided that in the event of any adjustment in accordance with the provisions of the Warrant Agency Agreement, "**Shares**" shall thereafter mean the shares or other securities or property resulting from such adjustment, and "**Share**" means any one of them.

Any capitalized term in this Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Agency Agreement. In the event of any discrepancy between anything contained in this Warrant Certificate and the terms and conditions of the Warrant Agency Agreement, the terms and conditions of the Warrant Agency Agreement shall govern.

The Warrants represented by this Certificate are issued or issuable in fully registrable form only under the provisions of an agreement (which agreement, together with all other instruments ancillary thereto, is referred to herein as the "**Warrant Agency Agreement**") dated as of September 20, 2018 between the Corporation and Odyssey Trust Company (the "**Warrant Agent**"). Reference is hereby made to the Warrant Agency Agreement for a full description of the rights of the holders of the Warrants, the Corporation and the Warrant Agent in respect thereof, and the terms and conditions upon which the Warrants evidenced hereby are issued and held, all to the same effect as if the provisions of the Warrant Agency Agreement were herein set forth. By acceptance of this Certificate, the Holder assents to all provisions of the Warrant Agency Agreement. To the extent that the terms and conditions set forth in this Certificate conflict with the terms and conditions of the Warrant Agency Agreement, the Warrant Agency Agreement shall prevail. The Corporation will furnish to the holder of this Certificate, upon request and without charge, a copy of the Warrant Agency Agreement.

In the event that prior to the Expiry Time, the Holder has not exercised the Warrants represented hereby in accordance with the terms of the Warrant Agency Agreement, then any Warrants represented by this Certificate which have not been so exercised shall be deemed to have expired and shall be of no further force and effect as of 5:00 p.m. (Toronto time) on the Expiry Date.

Upon exercise, the Warrants so exercised shall be void and of no value or effect.

For certificates representing the Shares issued upon exercise of the Warrants (reflecting any adjustments as provided herein and in the Warrant Agency Agreement), the Warrant Agent shall cause, within three Business Days after the Exercise Date of such Warrants, such certificates to be mailed or delivered, as specified in the Exercise Form, at the address specified in such Exercise Form, or, if so specified in such Exercise Form, cause to be held for such Person for pick-up at the Warrant Agency.

The right to acquire Shares may only be exercised by the Holder within the time set forth above by:

(a) duly completing and executing the Exercise Form attached hereto;

(b) by providing a certified cheque, bank draft or money order in lawful money of Canada payable to the order of the Corporation for the aggregate purchase price of the Shares so subscribed; and

(c) surrendering this Warrant Certificate to the Warrant Agent at the Warrant Agency,

all in accordance with Section 4.2 of the Warrant Agency Agreement.

The Warrants represented by this Certificate shall be deemed to be surrendered only upon personal delivery hereof or, if sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at its principal office in the City of Calgary, Alberta.

In the event that the Corporation redeems all or a portion of a Holder's Class A Restricted Voting Shares underlying the Class A Restricted Voting Units in accordance with the provisions of the Articles, then each Warrant forming part of the Class A Restricted Unit so redeemed shall be automatically redeemed by the Corporation, effective at the same time as the redemption of the Class A Restricted Voting Shares and without any further action by the Corporation, for the Warrant Redemption Price, which Warrant Redemption Price shall be paid by the Corporation in the same manner and at the same time as payment is made in respect of the redemption of the applicable Class A Restricted Voting Share. Upon payment in cash of the Warrant Redemption Price in respect of the Warrants underlying the Class A Restricted Voting Units to be redeemed by the Corporation, the rights of the Holders in respect of such Warrants being redeemed, as Holders, shall be extinguished in their entirety.

Upon surrender of these Warrants, the Person or Persons in whose name or names the Shares issuable upon exercise of the Warrants are to be issued shall be deemed for all purposes (except as provided in the Warrant Agency Agreement) to be the holder or holders of record of such Shares, and the Corporation has covenanted that it will (subject to the provisions of the Warrant Agency Agreement) cause a certificate or certificates representing the Shares to be delivered or mailed to the Person or Persons at the address or addresses specified in the Exercise Form within three Business Days after the Exercise Date of such Warrants.

The Warrant Agency Agreement provides for adjustments to certain rights of Holders including the number of Shares issuable upon exercise of the Warrants upon subdivision, consolidation or reclassification of the Shares or any reclassification or capital reorganization of the Corporation and certain dividends and distributions of securities, including rights, options or warrants to purchase Shares or securities exercisable, convertible or exchangeable into Shares or assets of the Corporation. The Holder should refer to the Warrant Agency Agreement which provides for adjustments in certain other events.

The Corporation shall not be required, upon valid exercise of any Warrants after the Commencement Time and prior to the Expiry Time, to issue fractions of Shares or to distribute certificates which evidence the same. A Holder shall not be entitled to any cash or other consideration in lieu of any fractional interest in a Warrant or claim thereto. Any fractional Shares to which a Holder is entitled shall be rounded down to the nearest whole Share, and no cash or other consideration will be paid in lieu of fractional Shares.

The terms and conditions relating to the Warrants and this Certificate may be modified, changed or added to in accordance with the provisions of the Warrant Agency Agreement. The Warrant Agency Agreement contains provisions making binding upon all Holders of Warrants outstanding thereunder resolutions passed at meetings of such Holders held in accordance with such provisions and instruments in writing signed by the Holders holding a specified percentage of the then outstanding Warrants.

The holding of the Warrants, as evidenced by this Certificate, shall not constitute, or be construed as conferring upon, a Holder any right or interest whatsoever as a shareholder of the Corporation except such rights as may be provided in the Warrant Agency Agreement or in this Certificate.

The Holder of this Certificate may, upon compliance with the reasonable requirements of the Warrant Agent and upon surrender of this Certificate, exchange this Certificate for another Certificate or Certificates entitling the Holder thereof to receive, in the aggregate, the same number of Shares as are issuable under this Certificate.

The Warrants evidenced by this Certificate may only be transferred in accordance with applicable securities laws and upon due execution and delivery to the Warrant Agent of a Transfer Form in the form attached hereto and in compliance with all the conditions prescribed in the Warrant Agency Agreement and compliance with such other reasonable requirements as the Warrant Agent may prescribe.

The Warrants represented hereby have not been registered under the U.S. Securities Act or any applicable state securities laws. Accordingly, prior to the closing of a Qualifying Transaction of the Corporation Warrants may not be distributed or transferred in the United States or to, or for the benefit of, a **"U.S. Person"** (as defined in Regulation S under the U.S. Securities Act). After the closing of a Qualifying Transaction of the Corporation, Warrants may not be distributed or transferred in the United States or to, or for the benefit of, a U.S. Person unless the distribution or transfer is being made in a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws, and the Holder has furnished to the Corporation and the Warrant Agent an opinion of counsel, or other evidence of exemption, in form and substance satisfactory to the Corporation to such effect. Compliance with the securities laws of any jurisdiction is the responsibility of the holder of Warrants or his, her or its transferee.

This Warrant Certificate shall not be valid for any purpose until it has been countersigned by or on behalf of the Warrant Agent under the Warrant Agency Agreement.

The registered holder of this Warrant Certificate expressly acknowledges having requested, and consents to, the drawing in the English language only of this Warrant Certificate evidencing the Warrants registered in his, her or its name and all documents relating to such Warrants. Le détenteur inscrit du présent certificat de bons de souscription reconnaît expressément avoir demandé et consenti que le présent certificat attestant qu'il est le détenteur inscrit de bons de souscription, ainsi que tous les documents s'y rapportant, soient rédigés en anglais seulement.

Time shall be of the essence hereof.

[Remainder of page left intentionally blank. Signature page follows.]

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed as of the __ day of _____, 20__.

CANACCORD GENUITY GROWTH CORP.

By: _____
Name:
Title:

This Warrant Certificate is one of the Warrant Certificates referred to in the Warrant Agency Agreement. Signed by the Warrant Agent as of the __ day of _____, 20__.

ODYSSEY TRUST COMPANY

By: _____
Authorized Signing Officer

EXERCISE FORM

TO: CANACCORD GENUITY GROWTH CORP.

AND TO: ODYSSEY TRUST COMPANY

(1) The undersigned hereby irrevocably subscribes for, and exercises his, her or its right to be issued, the number of Shares set forth below, such Shares being issuable upon exercise of such Warrants pursuant to the terms specified in the said Warrants and the Warrant Agency Agreement.

(2) The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

A ☐ The undersigned holder (i) at the time of exercise of the Warrants is not in the United States and is not exercising the Warrants on behalf of a Person in the United States; (ii) is not a "U.S. Person" (a **"U.S. Person"),** as defined in Regulation S under the United States Securities Act of 1933, as amended (the **"U.S. Securities Act"),** and is not exercising the Warrants on behalf of a "U.S. Person"; and (iii) did not execute or deliver this exercise form in the United States.

B ☐ The undersigned holder (a) is the original United States "qualified institutional buyer", within the meaning of Rule 144A under the U.S. Securities Act (a **"Qualified Institutional Buyer"),** that purchased the Warrants pursuant to the Corporation's Offering and delivered the certificate of Qualified Institutional Buyer attached to the U.S. Private Placement Memorandum in connection with its purchase of Class A Restricted Voting Units, (b) is exercising the Warrants for its own account or for the account of the Qualified Institutional Buyer with respect to which it exercises sole investment discretion and for which it purchased the Warrants, and (c) is, and such principal, if any, is, a Qualified Institutional Buyer at the time of exercise of these Warrants and the representations and warranties of the holder made in the original U.S. Private Placement Memorandum including the certificate of Qualified Institutional Buyer remain true and correct as of the date of exercise of these Warrants.

C ☐ The undersigned holder has delivered to Odyssey Trust Company an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

Note: The undersigned holder understands that unless Box A above is checked, the certificate representing the Shares will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available. Certificates representing Shares will not be registered or delivered to an address in the United States unless Box B or Box C above is checked. If Box C above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation.

The undersigned hereby irrevocably directs that the Shares be issued and delivered as follows:

Name in full	Address (include Postal Code)	Number of Shares

(Please print full name in which certificate(s) are to be issued.)

Dated this __ day of _____, ____.

Signature Guaranteed

Signature of Registered Holder

Name of Registered Holder

☐ Please check box if certificates representing these Shares are to be delivered at the office of the Warrant Agent where this Warrant Certificate is surrendered, failing which the certificates shall be mailed to the address set forth above.

Instructions:

The registered holder may exercise his or her right to receive Shares by completing this form and surrendering this form and the Warrant Certificate representing the Warrants being exercised, together with the applicable payment therefor, to Odyssey Trust Company, 350, 300 5th Avenue SW, Calgary, AB, T2P 3C4. Certificates for Shares shall be delivered or mailed within three Business Days after the exercise of the Warrants.

If the Exercise Form indicates that Shares are to be issued to a Person or Persons other than the registered holder of the Certificate, the signature on this Exercise Form must be guaranteed by an eligible guarantor institution with membership in an approved signature guarantee medallion program.

If the Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any Person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Corporation.

If Box C is checked, any opinion tendered must be in form and substance satisfactory to the Corporation and the Warrant Agent. Holders planning to deliver an opinion of counsel in connection with the exercise of Warrants should contact the Corporation in advance to determine whether any opinions to be tendered will be acceptable to the Corporation.

TRANSFER FORM

ANY TRANSFER OF WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER.

TO: CANACCORD GENUITY GROWTH CORP.

AND TO: ODYSSEY TRUST COMPANY

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to _____

_____

_____

_____

(print name and address) the Warrants represented by this Warrants Certificate and hereby irrevocable constitutes and appoints _____ as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Warrant Agent.

In the case of a warrant certificate that contains a United States restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

☐ (A) the transfer is being made only to the Corporation;

☐ (B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act, and in compliance with any applicable local securities laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Schedule "B" to the Warrant Agency Agreement, or

☐ (C) the transfer is being made within the United States or to, or for the account or benefit of, U.S. Persons, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing, or other evidence of exemption, in form and substance reasonably satisfactory to the Corporation to such effect.

In the case of a warrant certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of a U.S. Person or to a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation and the Warrant Agent to such effect.

☐ If transfer is to a U.S. Person, check this box.

DATED this __ day of _____, 20__.

SPACE FOR GUARANTEES OF SIGNATURES (BELOW)	}	
	}	
	}	
	}	
	}	Signature of Transferor
	}	
	}	
	}	
	}	
Guarantor's Signature/Stamp	}	Name of Transferor

CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.
- **Canada:** A Signature Guarantee obtained from the Guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a "Signature & Authority to Sign Guarantee" Stamp affixed to the transfer (as opposed to a "Signature Guarantee" Stamp) obtained from an authorized officer of a major Canadian Schedule 1 chartered bank.
- **Outside North America:** For holders located outside North America, present the certificates(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

SCHEDULE "B"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Odyssey Trust Company, as registrar and transfer agent

AND TO: Canaccord Genuity Growth Corp. (the **"Corporation")**

The undersigned (A) acknowledges that the sale of _____ of the Corporation represented by certificate number _____ to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the **"U.S. Securities Act"),** and (B) certifies that (1) the undersigned is not (a) an "affiliate" of the Corporation (as that term is defined in Rule 405 under the U.S. Securities Act), (b) a "distributor" as defined in Regulation S or (c) an affiliate of a distributor; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a designated offshore securities market (such as the Aequitas NEO Exchange) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States or a U.S. person; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U. S. Securities Act); (5) the seller does not intend to replace securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities; and(6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U. S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: _____

X _____
Authorized signatory

Name of Seller **(please print)**

Name of authorized signatory **(please print)**

Title of authorized signatory **(please print)**

Affirmation By Seller's Broker-Dealer (required for sales in accordance with Section (B)(2)(b) above)

We have read the foregoing representations of our customer, _____ (the **"Seller")** dated _____, with regard to our sale, for such Seller's account, of the securities of the Corporation described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of designated offshore securities market, (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

_____
Name of Firm

By: _____
Authorized officer

Date: _____

Exhibit 4.2

WARRANT AGREEMENT

This **WARRANT AGREEMENT** (this "Agreement") is made as of April 26, 2019, by and between Columbia Care Inc., a corporation existing under the Business Corporations Act (British Columbia) (together with its successors and assigns, the "Company"), and Canaccord Genuity Corp. (the "Holder"). The Company and the Holder are referred to in this Agreement each as a "Party" and, collectively, as the "Parties."

WHEREAS, the Holder and Columbia Care LLC ("Col-Care") entered into that certain Engagement Letter, dated as of the May 14, 2018 (the "Engagement Letter," which includes all future amendments and supplements thereto), under which the Holder agreed to provide certain services to the Col-Care for which it is entitled to receive the warrants.

WHEREAS, the Holder and Col-Care further entered into that certain Warrant Agreement, on October 1, 2018 (the "Effective Date"), under which Col-Care issued to the Holder a warrant (the "Col-Care Warrant") of Col-Care to purchase a certain number of units of interest in Col-Care for a set price in exchange for services provided by Holder to Col-Care under the Engagement Letter.

WHEREAS, Col-Care and the Company have entered into that certain Transaction Agreement, dated November 21, 2018 (the "Transaction Agreement," which includes all future amendments and supplements thereto), under which a subsidiary of the Company is to merge with and into Col-Care (the "Merger"); and in connection with the Merger, the Col-Care Warrant is to be cancelled and replaced with a warrant of the Company.

NOW, **THEREFORE**, in consideration of the promises, representations and warranties and mutual covenants contained in this Warrant Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

Section 1. Definitions. For purposes hereof, the terms set forth below in this Section 1 shall have the respective meanings hereinafter assigned to them in this Warrant Agreement:

(a) "Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such Person. A Person shall be deemed to control another Person if such first Person possesses directly or indirectly the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, by contract or otherwise.

(b) "Agreement" has the meaning set forth in the recitals hereto.

(c) "Assignment Form" has the meaning set forth in Section 5.

(d) "Blue Sky Laws" means any and all applicable state securities laws.

(e) "Board of Directors" means the board of directors of the Company.

(f) "Business Day" means any day other than a Saturday, Sunday or a day on which banks in New York City are generally authorized or required by law to close.

(g) "Capital Transaction" means (i) one or more mergers, consolidations, liquidations, sales of more than 50% of the assets of the Company (other than asset sales in the ordinary course of business) or other actions pursuant to which the Company or the holders of Shares receive cash, securities or other property; (ii) any sale, consolidation or merger of the Company with or into any other limited liability company, corporation or other Person, or any other company reorganization, in which the holders of Shares owning more than 50% percent of the Shares immediately prior to such sale, consolidation, merger or reorganization, own less than 50% of the surviving entity's voting power immediately after such sale, consolidation, merger or reorganization, or any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's voting power is transferred (except any transfer in which the holders of Shares immediately prior to such transaction continue to hold, directly or indirectly, more than 50% of the voting power of the surviving entity), excluding any consolidation or merger effected exclusively to change the domicile or legal entity type of the Company; or (iii) the closing of a Public Offering.

(h) "Charter" means the Company's articles or memorandum of association, in effect immediately following the merger contemplated by the Transaction Agreement.

(i) "Company" is defined in the preamble hereto.

(j) "Effective Date" has the meaning set forth in the preamble hereto.

(k) "Election to Purchase Shares" is defined in Section 7(a).

(l) "Equity Equivalents" means any security of the Company that is directly or indirectly convertible, exercisable, or exchangeable into Shares or any other Equity Equivalent at any time.

(m) "Exercise Date" has the meaning set forth in Section 7(e).

(n) "Exercise Price" means $6.1783 per Share.

(o) "Expiration Date" means the date that is seven years from the Effective Date.

(p) "GAAP" means the generally accepted accounting principles as in effect in the United States of America from time to time.

(q) "Governmental Authority" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

(r) "Holder" has the meaning set forth in the preamble hereto.

(s) "Other Securities" means any securities (other than Shares) of the Company or any other Person which the Holder at any time shall be entitled to receive, or shall have received, upon the exercise of the Warrant, in lieu of or in addition to the Warrant Shares, or which at any time shall be issuable or shall have been issued to holders of the Warrant Shares in exchange for, in addition to or in replacement of, the Warrant Shares.

(t) "Party" has the meaning set forth in the preamble hereto.

(u) "Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, an estate, a joint venture, an unincorporated organization, or other entity, whether or not formed or organized pursuant to state law.

(v) "Public Offering" means an offering or sale to the public of securities of the Company, which offering and sale are registered under the Securities Act.

(w) "Rule 144" has the meaning set forth in Section 3(b)(i).

(x) "Securities Act" means the Securities Act of 1933, or any successor federal statute, and the rules and regulations of the Securities and Exchange Commission thereunder, as the same may be amended from time to time.

(y) "Subject Securities" means, without duplication if the context requires, the Warrant issued hereunder and the then-outstanding Warrant Shares.

(z) "Shares" has the meaning assigned to the term "Common Share" set forth in the Transaction Agreement.

(aa) "Total Exercise Price" has the meaning set forth in Section 7(a).

(bb) "Share Number" means the number of Shares to be issued upon the exercise of the Warrant in full, which, as of the date hereof, equals 648,783.

(cc) "Warrant" has the meaning set forth in Section 2.

(dd) "Warrant Certificate" means a certificate substantially in the form of Exhibit A hereto evidencing the Warrant.

(ee) "Warrant Documents" means any document executed and delivered by the Company or the Holder pursuant to this Agreement, including any Warrant Certificate, Election to Purchase Shares or Assignment Form.

(ff) "Warrant Register" has the meaning set forth in Section 5.

(gg) "Warrant Shares" means the Shares issuable, from time to time, upon exercise of the Warrant.

Section 2. Issuance of Warrant. Subject to the terms and conditions set forth herein, in connection with the Transaction Agreement, the Company hereby agrees to issue to the Holder, on the date hereof, a warrant (the "Warrant") of the Company to purchase Shares, in an amount equal to the Share Number for a price per Share equal to the Exercise Price, as evidenced by the execution and delivery of a Warrant Certificate pursuant to Section 4.

Section 3. Representations, Warranties and Covenants.

(a) The Company represents and warrants to the Holder that:

(i) The Company has the power to execute and deliver this Agreement and has the power to issue the Warrant Shares and to perform its obligations under this Agreement and the Warrant Certificates.

(ii) The execution, delivery and performance by the Company of this Agreement and the issuance of Warrant Shares upon the exercise of the Warrant have been duly authorized by all necessary action and do not (A) violate any provision of applicable law or regulation or of the Charter or of any order, writ, injunction or decree of any court or Governmental Authority applicable to the Company or (B) result in a breach of, or constitute a default under, or require any consent under, any contractual obligation to which the Company is a party or by which the Company is bound or affected and do not require any further consent or approval pursuant to the Charter.

(iii) This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid, binding and enforceable obligation of the Company, except as limited by bankruptcy, insolvency or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights and by the application of equitable principles. The Warrant and the Warrant Certificate constitute legal, valid, binding and enforceable obligations of the Company, except as limited by bankruptcy, insolvency or other similar laws now or hereafter in effect affecting the enforcement of creditors' rights and by the application of equitable principles, and the Warrant Shares, when issued upon exercise of the Warrant, will be duly authorized, validly issued, and be free from all taxes, liens and charges with respect to the issuance thereof (other than any liens or charges resulting from the Holder's actions).

(b) The Holder hereby represents and warrants as to itself and agrees with the Company that:

(i) The Holder is acquiring and will acquire the Subject Securities for the Holder's own account for investment and not with a view to any distribution thereof that might cause a violation of the Securities Act or any rules or regulations thereunder; provided, however, that subject to Section 6, the disposition of the Subject Securities shall be at all times within the sole discretion of the Holder. The Holder understands and acknowledges that the Company is not registering the Subject Securities under the Securities Act or the Blue Sky Laws, and, as a result, the Subject Securities will be restricted securities that the Holder may be required to hold indefinitely unless they are subsequently registered under such laws or an exemption from such registration is available to the Holder. In this connection, the Holder represents that it is familiar with Rule 144, as presently in effect, as promulgated under the Securities Act ("Rule 144"), and understands the resale limitations imposed thereby and by the Securities Act.

(ii) The Holder has had an opportunity to ask questions of the principal officers and representatives of the Company and to obtain any additional information necessary to permit an evaluation of the benefits and risks associated with the investment made hereby.

(iii) The Holder has sufficient experience in business, financial and investment matters to evaluate the merits and risks involved in the investment made hereby and is able to bear the economic risk of such investment for an indefinite period of time.

(iv) The Holder is an "accredited investor" within the meaning of Regulation D of the rules and regulations promulgated under the Securities Act.

Section 4. Warrant Certificates.

(a) The Warrant Certificates shall be in registered form only and shall be substantially in the form of Exhibit A hereto. Each Warrant Certificate shall be executed on behalf of the Company by a duly authorized representative of the Company.

(b) In connection with each Warrant issued by the Company pursuant to Section 2, the Company shall deliver to the Holder, on the date hereof a Warrant Certificate evidencing the number of Warrant Shares for the Holder, which shall be the Share Number.

Section 5. Registration. The Company shall maintain a register (the "Warrant Register") in its principal office for the purpose of registering the Warrant and any transfer thereof, which register shall reflect and identify, at all times, the ownership of any interest in the Warrant. Upon the issuance of the Warrant, the Company shall record the name of the Holder in the Warrant Register as the first Holder. The Company may deem and treat the registered Holder of the Warrant as the absolute owner thereof (notwithstanding any notation of ownership or other writing on the Warrant Certificates made by anyone) for the purpose of any exercise thereof or any distribution to the Holder thereof, and for all other purposes. Upon surrender for registration of transfer or exchange of the Warrant together with a properly executed form of assignment attached hereto as Exhibit C (the "Assignment Form") at the principal office of the Company, the Company shall, at its expense, execute and deliver one or more new Warrant Certificates of like tenor that shall be exercisable for a like aggregate number of Warrant Shares, registered in the name of the Holder or a transferee or transferees.

Section 6. Transfers; Registration of Transfers.

(a) Without in any way limiting the representations of Section 3(b) and subject to the terms and conditions contained in Section 16 (Assignment), the Holder further agrees not to make any disposition of all or any portion of the Subject Securities except in compliance with the Transaction Agreement and unless and until:

(i) the transferee has agreed in writing to be bound in the same manner as the Holder by the provisions of this Agreement;

(ii) (A) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement or (B) there is an exemption from registration under the Securities Act available; and

(iii) the Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and, if requested by the Company, the Holder shall have furnished to the Company an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such shares under the Securities Act.

Section 7. Exercise of Warrant.

(a) Exercise. The Warrant may be exercised by the Holder, in whole or in part, at any time or from time to time during the period beginning on the date hereof and ending on the Expiration Date, by surrendering to the Company at its principal office the corresponding Warrant Certificate, with a purchase form substantially in the form attached as Exhibit B hereto, duly filled in and signed (the "Election to Purchase Shares") and accompanied by payment, if applicable, of an amount equal to the product of the Exercise Price and the number of Shares specified in such form (the "Total Exercise Price").

(b) Issuance of Warrant Shares; Payment of Total Exercise Price. Effective as of the Exercise Date, the Company shall issue to the Holder and upon such issuance the Holder shall own, beneficially and of record, the Share Number of Shares, as specified in the Election to Purchase Shares, and the exercising Holder shall, subject to the Holder's execution of a joinder to the Operating Agreement pursuant to Section 2.2 thereof, be admitted as a Member of the Company and have all the rights and powers and be subject to all the restrictions and liabilities with respect to ownership of the Shares. In the event that the Shares are evidenced by certificates, the Company shall, without charge, issue, register and deliver to the Holder one or more certificates representing the aggregate number of Shares to which the Holder is entitled as specified in the Election to Purchase Shares. If the Warrant Shares are restricted securities (as defined in Rule 144), such certificate shall bear a legend stating that the Shares represented are restricted securities. The Holder shall pay the Total Exercise Price, if applicable, in United States currency by cash by delivery of a certified or official bank check or by wire transfer of immediately available funds to the Company.

(c) In lieu of exercising the Warrant by paying the Total Exercise Price to the Company, the Holder shall have the right (the "Cashless Exercise Option"), but not the obligation, at any time and from time to time prior to the Expiration Date, by electing on the Election to Purchase Shares, pursuant to which the fair market value of a Share in excess of the exercise price in respect of such Share may be used in lieu of cash to buy such Shares in accordance with the formula set forth on the Election to Purchase Shares.

(d) Partial Exercise. If the Holder shall have exercised the Warrant Certificate in part, the Company shall, at the request of the Holder and upon surrender of the Warrant Certificate, at the time of delivery of the Warrant Certificate, deliver to the Holder a new warrant certificate evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by the Warrant Certificate, which new warrant certificate shall in all other respects be identical with the Warrant Certificate.

(e) When Exercise Effective. The exercise of the Warrant Certificate shall be deemed to have been effective immediately prior to the close of business on the Business Day on which the Warrant Certificate is surrendered to and the Total Exercise Price is received by the Company, if applicable, as provided in this Section 7 (the "Exercise Date") and the Person indicated as the Holder in the Election to Purchase Shares and in whose name a certificate for Warrant Shares (to the extent that the Shares are certificated) shall be issuable upon such exercise, as provided in Section 7(b) or Section 7(e), shall be deemed to be the record holder of such Warrant Shares for all purposes on the Exercise Date.

Section 8. Payment of Expenses and Taxes. The Company shall pay all expenses in connection with, and all taxes and other governmental charges that may be imposed with respect to, the issue or delivery of Warrant Shares to the Holder, unless such tax or charge is imposed by law upon the Holder, in which case such taxes or charges shall be paid by the Holder. The Company shall not be required, however, to pay any tax or other charge imposed in connection with any transfer involved in the issue of any certificate for Warrant Shares in any name other than that of the Holder or any income or capital gains tax relating to disposition of the Warrant or Warrant Shares.

Section 9. Mutilated or Missing Warrant Certificates. On receipt by the Company of an affidavit of an authorized representative of the Holder stating the circumstances of the loss, theft, destruction or mutilation of a Warrant Certificate (and in the case of any such mutilation, on surrender and cancellation of the Warrant Certificate), the Company at its expense will promptly execute and deliver, in lieu thereof, a new warrant certificate of like tenor which shall be exercisable for a like number of Warrant Shares; provided that, if requested by the Company, the Holder must provide an indemnity bond or other indemnity sufficient in the judgment of the Company to protect the Company from any loss which it may suffer if a lost, stolen or destroyed Warrant Certificate is replaced.

Section 10. No Registration under the Securities Act; Legend.

(a) None of the Subject Securities has been registered under the Securities Act. In agreeing to issue the Warrant, the Company has relied upon the exemption from registration provided by Section 4(2) of the Securities Act and/or Regulation D promulgated under the Securities Act.

(b) Each Warrant Certificate shall bear the legend appearing on the first page of the form of Warrant Certificate attached as Exhibit A hereto (and no other restrictive legend).

Section 11. Changes in Shares. If, and as often as, there are any changes in the Shares by way of split, distribution, combination or reclassification, or through merger, consolidation, reorganization or recapitalization, or by any other means, appropriate adjustment shall be made in the provisions hereof, as may be required, so that the rights and privileges granted by this Warrant Agreement shall continue with respect to the Shares as so changed.

Section 12. Adjustment of Total Exercise Price and Share Number. The Total Exercise Price and the Share Number with respect to the Warrant shall be adjusted from time to time upon the occurrence of the following events:

(a) Distribution, Subdivision, Combination or Reclassification of Shares. If the Company shall, at any time or from time to time, (i) make a distribution to holders of Shares of additional Shares or of Other Securities, (ii) subdivide the outstanding Shares, (iii) combine the outstanding Shares into a smaller number of Shares, or (iv) issue any Other Securities by reclassification of the Shares (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing entity), then in each such case, the Total Exercise Price in effect at the time of the record date for such distribution or of the effective date of such subdivision, combination or reclassification, and the number of Shares and kind of Other Securities issuable on such date shall be proportionately adjusted so that the Holder, if exercising the Warrant after such date, shall be entitled to receive, upon payment of the same aggregate amount as would have been payable before such date, the aggregate number of Shares and kind of Other Securities which, if the Warrant had been exercised immediately prior to such date, the Holder would have owned upon such exercise and been entitled to receive by virtue of such distribution, subdivision, combination or reclassification. Any such adjustment shall become effective immediately after the record date of such distribution or the effective date of such subdivision, combination or reclassification. Such adjustment shall be made successively whenever any event listed above shall occur.

(b) Certain Distributions. If the Company shall, at any time or from time to time, fix a record date for the distribution to all holders of Shares (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing corporation) of evidences of indebtedness, assets or other property (other than distributions payable in Shares for which adjustment is made under Section 12(a)) or Equity Equivalents, then, upon exercise of the Warrant, the Company shall pay to the Holder the fair market value (as determined in good faith by the Board of Directors) of the portion of the evidences of indebtedness, assets or other property or Equity Equivalents so to be distributed applicable to the Warrant Shares issuable upon exercise of the Warrant in such amount as the Holder would have received if the Warrant had been exercised immediately prior to such date.

(c) Reorganization, Reclassification, Merger and Sale of Assets. In furtherance and not in limitation of the provisions of Section 11, if there occurs any capital reorganization or any reclassification of Shares, the consolidation or merger of the Company with or into another Person (other than a merger or consolidation of the Company in which the Company is the continuing corporation and which does not result in any reclassification or

change of outstanding Shares) or the sale or conveyance of all or substantially all of the assets of the Company to another Person, then the Holder will thereafter be entitled to receive, upon the exercise of the Warrant in accordance with the terms hereof, the same kind and amounts of securities (including shares of stock or Shares) or other assets, or both, which were issuable or distributable to the holders of outstanding Shares upon such reorganization, reclassification, consolidation, merger, sale or conveyance, in respect of that number of Warrant Shares if the Warrant had been exercised immediately prior to such reorganization, reclassification, consolidation, merger, sale or conveyance; and, in any such case, appropriate adjustments (as determined in good faith by the Board of Directors) shall be made to assure that the provisions hereof (including provisions with respect to changes in, and other adjustments of, the Total Exercise Price) shall thereafter be applicable, as nearly as reasonably may be practicable, in relation to any securities or other assets thereafter deliverable upon exercise of the Warrant.

Section 13. Fractional Warrants and Fractional Warrant Shares. The Company shall not be required to issue fractions of Shares upon any exercise of the Warrant or to execute or deliver Warrant Certificates that evidence fractional Shares. In lieu of fractional Shares, the Company may make payment to the Holder, at the time of exercise of the Warrant as herein provided, of an amount in cash equal to the value such fraction in U.S. dollars.

Section 14. No Membership Rights. Prior to exercise of the Warrant, the Holder shall not be entitled to any rights of a Member, including the right to vote, approve or consent, receive dividends or other distributions on any Shares issuable upon the exercise of the Warrant, exercise preemptive rights or be notified of Member meetings, and, except as otherwise expressly set forth in this Agreement, the Holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company.

Section 15. Notices to Holder. In case:

(a) of a Capital Transaction or of the conveyance or transfer of all or substantially all of the properties and assets of the Company, or of a capital reorganization or reclassification of the Shares;

(b) of the voluntary or involuntary dissolution, liquidation or winding up of the Company; or

(c) the Company proposes to take any other action that would require an adjustment of the number of Warrant Shares issuable upon exercise of the Warrant;

then the Company shall cause notice to be given to the Holder at its address appearing on the Warrant Register, at least 30 calendar days prior to the applicable record or effective date specified.

Section 16. Assignment. Subject to the Holder's compliance with Section 6, the Holder may not assign, sell, transfer or otherwise convey, in whole or in part, the Holder's rights and obligations under this Agreement or the Warrant to any third party, without the prior written consent of the Company; provided, however, that the Holder may, subject to compliance with Section 6, sell, transfer or otherwise convey, in whole or in part, the Holder's rights and

obligations under this Agreement or the Warrant to an affiliate of the Holder without the Company's prior consent but with prior written notice to the Company. Any assignment or attempted assignment in violation of the terms of this Section 16 shall be null and void and of no legal effect.

Section 17. Amendments and Waivers. Any provision of this Agreement or the Warrant Certificates may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Company and the Holder.

Section 18. Survival. The provisions of this Agreement shall survive the exercise of the Warrant in whole or part, until the Expiration Date and, in event of such exercise the term "Holder" shall refer to the holder of any Warrant Shares issued upon exercise hereunder; provided, however, that in the case of any sale of Subject Securities pursuant to a Public Offering or Rule 144 under the Securities Act, such Subject Securities will no longer have the benefits of this Agreement.

Section 19. Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, courier service or personal delivery:

If to the Company:

321 Billerica Road, Suite 204
Chelmsford, MA 01824
Attention: Mary-Alice Miller, Chief Risk Officer & General Counsel
Email: mmiller@col-care.com
Tel: 617-480-1347

If to the Holder:

At the contact information provided on the Holder's signature page hereto.

or to such other address or addresses as shall have been furnished in writing to the other Party. The Holder agrees, at all times, to provide the Company with an address for notices hereunder. All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial overnight courier service; or if mailed, upon receipt or refusal.

Section 20. Binding Effect. This Agreement shall be binding upon and inure to the sole and exclusive benefit of the Company and its permitted successors and each registered Holder from time to time of the Subject Securities and each of its respective permitted successors. This Agreement replaces and supersedes the Col-Care Warrant, which Holder hereby agrees is terminated and of no further force and effect.

Section 21. Termination. Except as provided herein, this Agreement shall terminate and be of no further force and effect at the close of business on the Expiration Date unless, prior to such Expiration Date, there shall no longer be any Holders in which event this Agreement shall terminate as of such date except for Section 19 (Notices), Section 22 (Arbitration), Section 23 (Waiver of Jury Trial), Section 24 (Severability), Section 26 (Interpretation) and Section 27 (Governing Law), which shall survive such termination according to their respective terms.

Section 22. Arbitration. Any controversy or claim arising out of or relating to this Agreement, or any breach, or alleged breach, thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. Such arbitration shall be held in New York County, New York. Any litigation after the arbitration award—whether to confirm, enforce or vacate such award—shall be held exclusively in the state or federal courts located in New York County, New York. In connection with any such post-arbitration litigation, each of the parties hereto hereby irrevocably and unconditionally submits to the nonexclusive jurisdiction of any New York State court or federal court of the United States of America sitting in New York County, New York.

Section 23. Waiver of Jury Trial. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, TO IT THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS Section 23.

Section 24. Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The Parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 25. Counterparts. This Agreement may be executed in counterparts (and by different Parties on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Agreement by facsimile or email transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

Section 26. Interpretation.

(a) Unless the context of this Agreement clearly requires otherwise, (i) references to the plural include the singular, the singular the plural, the part the whole, (ii) references to any gender include all genders, (iii) “including” has the inclusive meaning frequently identified with the phrase “but not limited to,” (iv) the words “or” and “any” are not exclusive, (v) references to “hereunder” or “herein” relate to this Agreement, (vi) the term “or” will be interpreted in the inclusive sense commonly associated with the term “and/or,” (vii)

whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified, (viii) the section and other headings contained in this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect, (ix) Article, Section, subsection, Exhibit and Schedule references are to this Agreement and (x) each accounting term used herein that is not specifically defined herein shall have the meaning given to it under GAAP.

(b) The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises under any provision of this Agreement, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

Section 27. Governing Law. This Agreement and each Warrant Document shall be construed in accordance with and governed by the laws of the State of Delaware (without giving effect to its conflicts of law principles).

(*Signature pages follow*.)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized representatives, as of the date first written above.

Company:

COLUMBIA CARE LLC

By: _____
Name:
Title:

The Holder:

CANACOORD GENUITY CORP.

By: _____
Name:
Title:

Address:

_____
_____
_____

Email: _____
Tel: _____

[Signature Page to Replacement Warrant]

EXHIBIT A

WARRANT CERTIFICATE

No. W-[●]

Issued on [●], 2019

VOID AFTER 5:00 P.M. NEW YORK CITY TIME
ON THE EXPIRATION DATE (AS DEFINED IN THE WARRANT AGREEMENT DESCRIBED BELOW)

THE WARRANT REPRESENTED BY THIS WARRANT CERTIFICATE (THIS "WARRANT") AND THE WARRANT SHARES (AS DEFINED IN THE WARRANT AGREEMENT (DEFINED BELOW)) ISSUABLE PURSUANT TO THE TERMS HEREOF HAVE THE BENEFIT AND ARE SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED IN THAT CERTAIN WARRANT AGREEMENT, DATED AS OF [●], 2019, BY AND BETWEEN THE COMPANY (AS DEFINED BELOW) AND THE HOLDER OF THE WARRANT THEREIN NAMED, AS FROM TIME TO TIME AMENDED (THE "WARRANT AGREEMENT"), A COMPLETE AND CORRECT COPY OF WHICH IS AVAILABLE FOR INSPECTION AT THE PRINCIPAL OFFICE OF THE COMPANY AND WILL BE FURNISHED TO THE HOLDER OF THIS WARRANT UPON WRITTEN REQUEST AND WITHOUT CHARGE.

THIS WARRANT AND THE WARRANT SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY STATE OR OTHER SECURITIES LAW AND MAY NOT BE TRANSFERRED EXCEPT (i) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR (ii) UPON FIRST FURNISHING TO THE COMPANY AN OPINION OF COUNSEL THAT SUCH TRANSFER IS NOT IN VIOLATION OF THE REGISTRATION REQUIREMENTS OF THE ACT.

THIS WARRANT CERTIFICATE CERTIFIES THAT, for value received, [*insert name of Holder*], the registered holder hereof or registered assign (the "Holder"), is the owner of this Warrant, which entitles the owner thereof to purchase at any time on or before 5:00 P.M., New York City time, on the Expiration Date, an aggregate of number of [*insert applicable Share Number*] Warrant Shares of Columbia Care Inc. (the "Company"), a corporation existing under the Business Corporations Act (British Columbia), at the Exercise Price per Warrant Share. Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Warrant Agreement.

This Warrant Certificate is subject to and entitled to the benefits of all of the terms, provisions and conditions of the Warrant Agreement, which is hereby incorporated herein by reference and made a part hereof and to which Warrant Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Company and the holders of the Warrant Certificates. Copies of the Warrant Agreement are on file at the principal office of the Company. The Holder hereof may be treated by the Company and all other persons dealing with this Warrant Certificate as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented hereby, or to the transfer hereof on the books of the Company, any notice to the contrary notwithstanding, and until such transfer on such books, the Company may treat the Holder hereof as the owner for all purposes. This Warrant Certificate, with or without other Warrant Certificates, upon surrender at the principal office of the Company, may be exchanged for another Warrant Certificate or Warrant Certificates of like tenor and date evidencing the Warrant entitling the Holder to purchase a like aggregate number of Shares as the Warrant evidenced by the Warrant Certificate or Warrant Certificates surrendered. If this Warrant Certificate shall be exercised in part, the Holder shall be entitled to receive upon surrender hereof, another Warrant Certificate or Warrant Certificates for the balance of the number of the Warrant Shares remaining available for purchase under this Warrant.

(*Signature page follows.*)

IN WITNESS WHEREOF, the Company has executed this Warrant Certificate.

Columbia Care Inc.

By: _____
Name: _____
Title: _____

EXHIBIT B

PURCHASE FORM

(To be signed only upon exercise of the Warrant (as defined herein))

To: Columbia Care Inc.

The undersigned is the holder (the "Holder") of a Warrant (the "Warrant") evidenced by Warrant Certificate No. W-[●] (the "Warrant Certificate") and issued by Columbia Care Inc. (the "Company"), a corporation existing under the laws of the Province of Ontario. This Warrant is subject to and entitled to the benefits of all of the terms, provisions and conditions of that certain Warrant Agreement, dated as of [●], 2019, by and between the Company and the Holder, as from time to time amended (the "Warrant Agreement"). Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Warrant Agreement.

1. The Warrant is currently exercisable to purchase a total of [*insert number from Warrant Certificate*] Warrant Shares.

2. The undersigned Holder hereby exercises its right to purchase [*insert number of Warrant Shares to purchase*] Warrant Shares pursuant to the Warrant Agreement.

3. Holder shall pay the sum of $[*insert Total Exercise Price*] as the Total Exercise Price to the Company in accordance with the terms of the Warrant Agreement.

Dated: _____

Name of Holder:

(Print) _____

By: _____
Name: _____
Title: _____

NOTICE: The signature on this Purchase Form must conform in all respects to the name of the Holder as specified on the face of the Warrant Certificate.

EXHIBIT C

ASSIGNMENT FORM

FOR VALUE RECEIVED the undersigned holder (the "Holder") of the Warrant represented by Warrant Certificate No. W-[●] attached hereto (the "Warrant Certificate") hereby sells, assigns and transfers unto the assignee named below ("Assignee") all of the Holder's rights with respect to the number of Warrant Shares remaining available for transfer under the Warrant as set forth below:

Name and Address of Assignee	Number of Warrant Shares
[●]	[●]

and does hereby irrevocably constitute and appoint attorney-in-fact to register such transfer on the books of Columbia Care Inc. (the "Company") maintained for the purpose, with full power of substitution in the premises. This Warrant is subject to and entitled to the benefits of all of the terms, provisions and conditions of that certain Warrant Agreement, dated as of [●], 2019, by and between the Company and the Holder, as from time to time amended (the "Warrant Agreement"). Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Warrant Agreement.

Dated: _____ Print Name: _____

Signature: _____

NOTICE: The signature on this Assignment Form must conform in all respects to the name of the Holder as specified on the face of the Warrant Certificate.

TRUST INDENTURE

Made as of March 31, 2020

Between

COLUMBIA CARE INC.
(the "**Corporation**")

and

ODYSSEY TRUST COMPANY
(the "**Trustee**")

PROVIDING FOR THE ISSUE OF 9.875% SENIOR SECURED FIRST LIEN NOTES

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TRUST INDENTURE

This Indenture is made as of March 31, 2020, between

COLUMBIA CARE INC.,
a corporation existing under the laws of the Province of British Columbia
(the "**Corporation**")

AND

ODYSSEY TRUST COMPANY
a trust company incorporated under the laws of Alberta and registered to carry on business in the Province of British Columbia
(the "**Trustee**")

RECITALS

The Corporation wishes to create and issue the Notes in the manner and subject to the terms and conditions of this Indenture;

FOR VALUE RECEIVED, the parties agree as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Definitions

In this Indenture and in the Notes, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the following meanings, namely:

(1) **"this Indenture"**, **"this Note Indenture"**, **"hereto"**, **"herein"**, **"hereby"**, **"hereunder"**, **"hereof"** and similar expressions refer to this Indenture and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto;

(2) "**Additional Offering**" means concurrent brokered and non-brokered private placement by the Corporation of up to $75,000,000 aggregate principal amount of Brokered Units contemplated by the Corporation;

(3) **"Affiliate"** has the meaning ascribed thereto in the *Securities Act* (Ontario);

(4) **"Applicable Law"** means, in respect of any Person, Property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations and all official directives, rules, guidelines, orders, policies and other requirements of law of any governmental authority (collectively the "**Law**") relating or applicable to such Person, property, transaction, event or other matter and shall include any interpretation of the Law or any part of the Law by any Person have jurisdiction over it or charged with its administration or interpretation;

(5) **"Applicable Securities Legislation"** means applicable securities laws (including rules, regulations, policies and instruments) in each of the applicable provinces and territories of Canada;

(6) **"Approved Bank"** has the meaning ascribed thereto in Section 10.9;

(7) **"Auditors of the Corporation"** means an independent firm of chartered professional accountants duly appointed as auditors of the Corporation;

(8) **"Beneficial Holder"** means any person who holds a beneficial interest in a Note that is represented by a Note Certificate or an Uncertificated Note registered in the name of such person's nominee;

(9) **"Board of Directors"** means the board of directors of the Corporation or any committee thereof;

(10) "**Board Resolution**" means a resolution certified by an officer of the Corporation to have been duly adopted by the Board of Directors of the Corporation and to be in full force and effect on the date of such certification;

(11) "**Brokered Units**" means units of the Corporation consisting of one US$1,000 senior secured note and common share purchase warrants of the Corporation;

(12) **"Business Day"** means any day other than a Saturday, Sunday or any other day that the Trustee in Calgary, Alberta is not generally open for business;

(13) **"Canadian Legend"** means the restrictive legend required pursuant to National Instrument 45-102 – *Resale of Securities* as described in Section 2.12;

(14) **"Change of Control"** means the occurrence of any of the following events other than in connection with an Internal Reorganization: (i) any Person (or any successor to it continuing from any amalgamation, merger or other reorganization) becoming the owner, directly or indirectly, beneficially or of record, of shares representing more than 50% of the aggregate ordinary voting power represented by the outstanding share capital of the Corporation; (ii) any sale, lease, exchange or other transfer (in one transaction or series of related transactions) of all or substantially all of the Corporation's property and assets; or (iii) the Corporation's shareholders approve any plan or proposal for the liquidation or dissolution of the Corporation;

(15) **"Corporation"** means Columbia Care Inc.;

(16) **"Counsel"** means a barrister or solicitor or firm of barristers or solicitors retained or employed by the Trustee or retained or employed by the Corporation and reasonably acceptable to the Trustee;

(17) **"Default"** means an Event of Default or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) be an Event of Default;

(18) **"Depository" or "CDS"** means CDS Clearing and Depository Services Inc. and its successors in interest;

(19) "**EDGAR**" means the electronic data gathering, analysis, and retrieval database maintained by the U.S. Securities and Exchange Commission;

(20) **"Equity Interests"** means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust, warrants, options or any other equity interests in any Person;

(21) **"Event of Default"** has the meaning ascribed thereto in Section 6.1;

(22) "**Existing Indebtedness**" means the liabilities of the Corporation and its Subsidiaries as of the date hereof and set out in Schedule D of this Indenture;

(23) "**Existing Lien**" means any Lien on the assets of the Corporation or its Subsidiaries as of the date of this Indenture;

(24) **"Extraordinary Resolution"** has the meaning ascribed thereto in Section 8.12;

(25) "**Fully Registered Notes**" means Notes registered as to both principal and interest;

(26) **"Government Obligations"** means securities issued or guaranteed by the Government of Canada or any province thereof;

(27) **"Governmental Authority"** means (a) the government of Canada or any other nation, or any political unit or subdivision of either of them (whether federal, provincial, state, municipal, local, or otherwise), and (b) any body, agency, tribunal, arbitrator, court, authority, or other entity that exercises executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of, or pertaining to, government;

(28) **"IFRS"** means International Financial Reporting Standards issued by the International Accounting Standards Board (including as further described in Section 1.16);

(29) "**Indenture**" means or refers to this Indenture as amended or supplemented by any indenture, deed or instrument supplemental or ancillary thereto;

(30) "**Interest Payment Date**" means March 31 and September 30 of each year that the 9.875% Notes are outstanding and commencing on September 30, 2020;

(31) "**Interest Period**" means the period commencing on the later of (a) the date of issue of the Notes and (b) the immediately preceding Interest Payment Date on which interest has been paid, and ending on the day immediately preceding the Interest Payment Date in respect of which interest is payable;

(32) **"Internal Procedures"** means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register of Noteholders at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Trustee's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed by the time by the Trustee, it being understood that neither preparation and issuance shall constitute part of such procedures for any purpose of this definition;

(33) "**Internal Reorganization**" means a merger, continuation, arrangement, capital reorganization or other reorganization of, between or among the Corporation and/or its affiliates and/or divisions thereof and which for greater certainty includes any transaction or series of related transaction relating to any continuance or redomiciling of the Corporation whether in or outside Canada;

(34) "**Issue Date**" mean the date of issuance of the Notes under this Indenture;

(35) "**Lien**" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;

(36) "**Material Adverse Effect**" means a material adverse effect on the business, operations, results of operations, assets, liabilities or financial condition of the Corporation and its Subsidiaries taken as a whole;

(37) **"Maturity Account"** means an account or accounts required to be established by the Corporation (and which shall be maintained by and subject to the control of the Trustee) for the Notes issued pursuant to and in accordance with this Indenture;

(38) **"Maturity Date"** means March 30, 2024;

(39) "**NEO Exchange**" means Neo Exchange Inc.;

(40) **"Note Certificate"** means a certificate evidencing Notes substantially in the form attached as Schedule A hereto;

(41) **"Noteholders"** or **"holders"** means the Persons for the time being entered in the register for Notes as registered holders of Notes;

(42) **"Notes"** means collectively, the notes of the Corporation issued and certified hereunder from time to time, or deemed to be issued and certified hereunder, designated as "9.875% Notes" and described in Section 2.2, and for the time being outstanding, whether in definitive, uncertificated or interim form;

(43) "**Offering**" means an offering of Securities by the Corporation, including the Additional Offering;

(44) **"Officer's Certificate"** means a certificate of the Corporation signed by any one authorized officer or director of the Corporation, in their capacity as an officer or director of the Corporation, and not in their personal capacity;

(45) "**Participant**" means a Person recognized by CDS as a participant in the non-certificated inventory system administered by CDS;

(46) "**Permitted Debt**" has the meaning given to it in Section 5.1(h);

(47) "**Permitted Liens**" means:

(a) Existing Liens;

(b) Liens secured against the real property of the Corporation or any of its Subsidiaries;

(c) Liens securing the Notes;

(d) purchase money mortgages;

(e) Liens created or associated with an Offering;

(f) Liens granted to a landlord under any executed lease agreement for the Corporation's leased properties;

(g) Liens incurred for the purpose of financing all or any part of the purchase price or the cost of construction, development, expansion or improvement of the equipment or other property subject to such Liens;

(h) Liens securing Existing Indebtedness or Permitted Debt (other than items (iii) and (vi) under the definition of Permitted Debt); and Liens securing the refinancing of such Existing Indebtedness or Permitted Debt (other than items (iii) and (vi) under the definition of Permitted Debt);

(i) Liens on property of a Person (i) existing at the time of acquisition thereof or (ii) existing at the time such Person is merged with or into or consolidated with the Corporation or any Subsidiary; provided that such Liens were in existence prior to, and not in contemplation of, such merger or consolidation; and

(j) Liens created by operation of law or pursuant to statutory rights or obligations;

(48) **"Person"** includes an individual, corporation, company, partnership, joint venture, association, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof;

(49) **"Principal Amount"** means the principal amount of the Notes;

(50) **"Privacy Laws"** has the meaning ascribed thereto in Section 10.19;

(51) **"Qualified Institutional Buyer"** means a "qualified institutional buyer" as such term is defined in Rule 144A under the U.S. Securities Act;

(52) "**Record Date**" means the close of business five (5) Business Days preceding the relevant Interest Payment Date;

(53) **"Regulation S"** means Regulation S adopted by the SEC under the U.S. Securities Act;

(54) "**Related Party**" means in respect of a Person, any Person not dealing at arms-length with such Person for purposes of the *Income Tax Act* (Canada);

(55) **"Restricted Notes"** means collectively the Restricted Uncertificated Notes and Restricted Physical Notes;

(56) **"Restricted Physical Note"** means a definitive Note that bears the U.S. Legend;

(57) **"Restricted Uncertificated Note"** means an Uncertificated Note that is deemed to bear the U.S. Legend;

(58) **"Sale/Leaseback Transaction"** means an arrangement relating to property owned by the Corporation or its Subsidiary whereby the Corporation or Subsidiary transfers such property to a Person and the Corporation or its Subsidiary leases it from such Person.

(59) "**Securities**" means, collectively, the common shares, proportionate voting shares, debt securities, warrants, subscription receipts and units of the Corporation that may be issued and sold under an Offering;

(60) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

(61) **"Subsidiary"** has the meaning ascribed thereto in the *Business Corporations Act* (British Columbia);

(62) **"Tax Act"** means the *Income Tax Act* (Canada), as amended;

(63) "**Termination Event**" means the revocation or termination of all of the licences and permits to grow, transport and sell cannabis held by the Corporation and/or its Subsidiaries, as applicable, in two (2) or more U.S. States due to the material non-compliance by the Corporation and/or its Subsidiaries, as applicable, with the obligations imposed on them by such licences and permits or the regulatory agency that issues such licences and permits;

(64) **"Trustee"** means Odyssey Trust Company, or its successor or successors for the time being as trustee hereunder;

(65) "**Uncertificated Note**" means any Note which is not issued as part of a Note Certificate;

(66) **"United States"** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

(67) **"Unrestricted Notes"** means collectively Unrestricted Physical Notes and Unrestricted Uncertificated Notes;

(68) **"Unrestricted Physical Note"** means a definitive Note that does not bear the U.S. Legend;

(69) **"Unrestricted Uncertificated Note"** means a Note that is not marked to bear the U.S. Legend;

(70) **"U.S. Noteholder"** is (a) any person in the United States that purchased Notes, (b) any person that purchased Notes on behalf of any person in the United States, (c) any purchaser of Notes that received an offer for the Notes while in the United States, (d) any person that was in the United States at the time the purchaser's buy order was made or the subscription agreement for Notes was executed or delivered;

(71) **"U.S. Legend"** has the meaning ascribed thereto in Section 2.13;

(72) **"U.S. Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder;

(73) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder; and

(74) **"Written Direction of the Corporation"** or "**written request of the Corporation**" means an instrument in writing signed by any one officer or director of the Corporation.

Section 1.2 Meaning of "Outstanding"

Every Note certified and delivered by the Trustee hereunder shall be deemed to be outstanding until it is cancelled, converted or redeemed or delivered to the Trustee for cancellation, or the payment thereof shall have been set aside under Section 7.2, provided that:

(a) Notes which have been partially redeemed, purchased or converted shall be deemed to be outstanding only to the extent of the unredeemed, unpurchased or unconverted part of the principal amount thereof;

(b) when a new Notes has been issued in substitution for a Note which has been lost, stolen or destroyed, only one of such Notes shall be counted for the purpose of determining the aggregate principal amount of Notes outstanding; and

(c) for the purposes of any provision of this Indenture entitling holders of outstanding Notes to vote, sign consents, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum of any meeting of Noteholders, Notes owned directly or indirectly, legally or equitably, by the Corporation shall be disregarded except that:

(i) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, requisition or other instrument or action, or on the holders of Notes present or represented at any meeting of Noteholders, only the Notes which the Trustee knows are so owned shall be so disregarded;

(ii) Notes so owned which have been pledged in good faith other than to the Corporation shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Notes, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of the Corporation or a Subsidiary of the Corporation; and

(iii) as at the date hereof, neither the Corporation nor any Subsidiary of the Corporation holds any Notes.

Section 1.3 Interpretation

In this Indenture:

(a) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;

(b) all references to Articles and Schedules refer, unless otherwise specified, to articles of and schedules to this Indenture;

(c) all references to Sections, subsections or clauses refer, unless otherwise specified, to Sections, subsections or clauses of this Indenture;

(d) words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them;

(e) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;

(f) unless otherwise indicated, reference to a statute shall be deemed to be a reference to such statute as amended, re-enacted or replaced from time to time; and

(g) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated by including the day on which the period commences and excluding the day on which the period ends.

Section 1.4 Headings, etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Notes.

Section 1.5 Time of Essence

Time shall be of the essence of this Indenture.

Section 1.6 Monetary References

Any reference to "**$**" or "**US$**" shall mean a reference to the lawful currency of the United States of America. Any reference to "**CAD$**" shall mean a reference to the lawful currency of Canada.

Section 1.7 Invalidity, etc.

Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof.

Section 1.8 Language

Each of the parties hereto hereby acknowledges that it has consented to and requested that this Indenture and all documents relating hereto, including, without limiting the generality of the foregoing, the form of Note attached hereto as Schedule A, be drawn up in the English language only.

Section 1.9 Successors and Assigns

All covenants and agreements of the Corporation in this Indenture and the Notes shall bind its successors and assigns, whether so expressed or not. All covenants and agreements of the Trustee in this Indenture shall bind its successors.

Section 1.10 Severability

In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, such provision shall be deemed to be severed herefrom or therefrom and the validity, legality and enforceability of the remaining provisions shall not in any way be affected, prejudiced or impaired thereby.

Section 1.11 Entire Agreement

This Indenture and all supplemental indentures and Schedules hereto and thereto, and the Notes issued hereunder and thereunder, together constitute the entire agreement between the parties hereto with respect to the indebtedness created hereunder and thereunder and under the Notes and supersedes as of the date hereof all prior memoranda, agreements, negotiations, discussions and term sheets, whether oral or written, with respect to the indebtedness created hereunder or thereunder and under the Notes.

Section 1.12 Benefits of Indenture

Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any paying agent or the holders of Notes, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 1.13 Applicable Law and Attornment

This Indenture, any supplemental indenture and the Notes shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts, with respect to any suit, action or proceedings relating to this Indenture, any supplemental indenture or any Noteholder, the Corporation (for and on behalf of itself and any Subsidiary of the Corporation), the Trustee and each holder irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

Section 1.14 Currency of Payment

Unless otherwise indicated in a supplemental indenture, all payments to be made under this Indenture or a supplemental indenture shall be made in United States dollars.

Section 1.15 Non-Business Days

Whenever any payment to be made hereunder shall be due, any period of time would begin or end, any calculation is to be made or any other action is to be taken on, or as of, or from a period ending on, a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculation shall be made and such other action shall be taken, as the case may be, unless otherwise specifically provided herein, on or as of the next succeeding Business Day without any additional interest, cost or charge to the Corporation.

Section 1.16 Accounting Terms

Except as hereinafter provided or as otherwise indicated in this Indenture, all calculations required or permitted to be made hereunder pursuant to the terms of this Indenture shall be made in accordance with IFRS. For greater certainty, IFRS shall include any accounting standards that may from time to time be approved for general application by CPA Canada or any successor body.

Section 1.17 Calculations

The Corporation shall be responsible for making all calculations called for hereunder including, without limitation, calculations of current market price. The Corporation shall make such calculations in good faith and, absent manifest error, the Corporation’s calculations shall be final and binding on holders and the Trustee. The Corporation will provide a schedule of its calculations to the Trustee and the Trustee shall be entitled to rely conclusively on the accuracy of such calculations without independent verification.

Section 1.18 Paramountcy

If any provision contained in this Indenture conflicts with any provision contained in any Noteholder, the provision contained herein shall govern and control.

Section 1.19 Schedules

(1) The following Schedules are incorporated into and form part of this Indenture:

Schedule A – Form of Note
Schedule B – Form of Certificate of Transfer
Schedule C – Form of Certificate of Exchange
Schedule D – Existing Indebtedness

(2) In the event of any inconsistency between the provisions of any Section of this Indenture and the provisions of the Schedules which form a part hereof, the provisions of this Indenture shall prevail to the extent of the inconsistency.

ARTICLE 2 – THE NOTES

Section 2.1 Issue and Designation of Notes

The aggregate principal amount of Notes authorized to be issued and authenticated under this Indenture is unlimited, provided, however, that Notes may be issued under this Indenture only on and subject to the conditions and limitations in this Indenture.

Section 2.2 Form and Terms of the Notes

(1) The Notes authorized for issue under this Indenture is unlimited and shall collectively be designated as “9.875% Notes”.

(2) The Notes shall be dated as of the Issue Date and shall mature on the Maturity Date.

(3) Subject to the terms of this Indenture, the Principal Amount plus all accrued and unpaid interest thereon shall be due and payable on the Maturity Date.

(4) The Notes shall bear interest on the unpaid principal amount thereof at a rate of 9.875% per annum from the Issue Date to, but excluding the Maturity Date, compounded semi-annually and payable in arrears on each Interest Payment Date. The first Interest Payment Date for the Notes shall be September 30, 2020. Interest shall be payable in respect of each Interest Period (after, as well as before the Maturity Date, default and judgment, with interest on principal and interest at a rate that is 2.25% higher than the applicable rate on the Notes) on each Interest Payment Date in accordance with Section 2.3. Interest at such rate shall be calculated on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as applicable, and shall be payable on the Maturity Date. Interest shall be payable after as well as before maturity and after as well as before default, with interest on amounts in default at the same rate, compounded monthly.

(5) The Notes shall be issued in denominations of $1,000 and integral multiples of $1,000. Each Noteholder and the certificate of the Trustee endorsed thereon, if applicable, shall be issued in substantially the form set out in Schedule A with such insertions, omissions, substitutions or other variations as shall be required or permitted by this Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform with general usage, all as may be determined by the Board of Directors executing such Note in accordance with Section 2.6 hereof, as conclusively evidenced by their execution of a Noteholder. Each Note shall additionally bear such distinguishing letters and numbers as the Trustee shall approve. Notwithstanding the foregoing, a Note may be in such other form or forms as may, from time to time, be, approved by a resolution of the Board of Directors, or as specified in an Officer's Certificate. The Notes may be engraved, lithographed, printed, mimeographed or typewritten or partly in one form and partly in another.

The Notes shall be issued from time to time in the form of one or more (a) Note Certificates, which shall bear the Canadian Legend and, if applicable, the U.S. Legend, and (b) as Uncertificated Notes, which shall bear a restricted CUSIP or other notation in respect of the Canadian Legend and, if applicable, the U.S. Legend.

(6) The Corporation shall have the right to redeem or repay any Note at any time prior to the Maturity Date by payment of the applicable Principal Amount, plus any accrued but unpaid interest, without any other premium, penalty, bonus or other payment.

Section 2.3 Concerning Interest

(1) The Notes issued pursuant to this Indenture, whether originally or upon exchange or in substitution for previously issued Notes shall bear interest (i) from and including the Issue Date or (ii) from and including the last Interest Payment Date therefor to which interest shall have been paid or made available for payment on such outstanding Notes, whichever shall be the later, in all cases, to and excluding the next Interest Payment Date therefor.

(2) Subject to accrual of any interest on unpaid interest from time to time, interest on the Notes will cease to accrue from the Maturity Date (including, for certainty, if the Notes were called for redemption or prepayment, the date of such redemption or prepayment); unless upon due presentation and surrender of such Note for payment on or after the Maturity Date, such payment is improperly withheld or refused.

(3) If the date for payment of the Principal Amount, premium or interest in respect of the Notes is not a Business Day at the place of payment, then payment thereof will be made on the next Business Day and the holder of such Note will not be entitled to any further interest on such principal, or to any interest on such interest, premium or other amount so payable, in respect of the period from the date for payment to such next Business Day.

(4) The holder of any Note at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest, if any, payable on such Interest Payment Date notwithstanding any transfer or exchange of such Note subsequent to such Record Date and prior to such Interest Payment Date, except if and to the extent the Corporation shall default in the payment of the interest due on such Interest Payment Date, in which case such defaulted interest shall be paid to the Holder of such Note as at the close of business on a subsequent Record Date (which shall be not less than two Business Days prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Corporation to the holders of all affected Notes not less than 15 days preceding such subsequent Record Date.

(5) Wherever in this Indenture or any Note there is mention, in any context, of the payment of interest, such mention is deemed to include the payment of interest on amounts in default to the extent that, in such context, such interest is, was or would be payable pursuant to this Indenture or the Note, and express mention of interest on amounts in default in any of the provisions of this Indenture will not be construed as excluding such interest in those provisions of this Indenture where such express mention is not made.

(6) Unless otherwise specifically provided in this Indenture or the terms of any Note, interest on the Notes shall be computed on the basis of a year of 365 days or 366 days, as applicable. Whenever interest is computed on the basis of a year (the "deemed year") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

Section 2.4 Certification and Delivery of Notes

(1) The Corporation may from time to time request the Trustee to certify and deliver Notes by delivering to the Trustee the documents referred to below in this Section 2.4 whereupon the Trustee shall certify such Notes and cause the same to be delivered in accordance with the Written Direction of the Corporation referred to below or pursuant to such procedures acceptable to the Trustee as may be specified from time to time by a Written Direction of the Corporation. In certifying such Notes, the Trustee shall be entitled to receive and shall be fully protected in relying upon, unless and until such documents have been superseded or revoked:

(a) an executed copy of this Indenture;

(b) a Written Direction of the Corporation requesting certification and delivery of such Notes and setting forth delivery instructions[1]; and

(c) an Officer's Certificate certifying (a) that the Corporation is not in default under this Indenture, (b) that the terms and conditions for the certification and delivery of the Notes (including those set forth in Section 10.5), have been complied with subject to the delivery of any documents or instruments specified in such Officer's Certificate (c) its constating documents, authorizing resolutions for this Indenture and the Notes passed by the Board of Directors and a certificate of incumbency and (d) that no Event of Default exists or will exist upon such certification and delivery.

Section 2.5 Non-Certificated Deposit

(1) Subject to the provisions hereof, at the Corporation's option, Notes may be issued and registered from time to time in the name of CDS or its nominee and:

(a) the deposit of which may be confirmed electronically by the Trustee to a particular Participant through CDS; and

1 NTD: consider deleting the opinion requirement for each closing.

(b) shall be identified by a CUSIP number obtained for such Note(s) at the time of issuance.

(2) If the Corporation issues Notes in a non-certificated format, Beneficial Holders of such Notes registered and deposited with CDS shall not receive Note Certificates in definitive form and shall not be considered owners or holders thereof under this Indenture or any supplemental indenture. Beneficial interests in Notes registered and deposited with CDS will be represented only through the non-certificated inventory system administered by CDS. Transfers of Notes registered and deposited with CDS between Participants shall occur in accordance with the rules and procedures of CDS. Neither the Corporation nor the Trustee shall have any responsibility or liability for any aspects of the records relating to or payments made by CDS or its nominee, on account of the beneficial interests in Notes registered and deposited with CDS. Nothing herein shall prevent the holders of Notes registered and deposited with CDS from voting such Notes using duly executed proxies or voting instruction forms.

(3) All references herein to actions by, notices given or payments made to, Notes shall, where Notes are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the Participants in accordance with its rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or the direction of Noteholders evidencing a specified percentage of the aggregate Notes outstanding, such direction or consent may be given by Beneficial Holders acting through CDS and the Participants owning Notes evidencing the requisite percentage of the Notes. The rights of a Beneficial Holder whose Notes are held through CDS by Participants are established by law and agreements between such holders and CDS and the Participants. Each Trustee and the Corporation may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective Notes and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations hereunder.

(4) For so long as Notes are held through CDS, if any notice or other communication is required to be given to Noteholders, the Trustee will give such notices and communications to CDS.

(5) If CDS resigns or is removed from its responsibility as Depository and the Trustee is unable or does not wish to locate a qualified successor, CDS shall provide the Trustee with instructions for registration of Notes in the names and in the amounts specified by CDS, and the Corporation shall issue and the Trustee shall certify and deliver the aggregate number of Notes then outstanding in the form of definitive Notes Certificates representing such Notes.

(6) The rights of Beneficial Holders who hold securities entitlements in respect of the Notes through the non-certificated inventory system administered by CDS shall be limited to those established by Applicable Law and agreements between the Depository and the Participants and between such Participants and the Beneficial Holders who hold securities entitlements in respect of the Notes through the non-certificated inventory system administered by CDS, and such rights must be exercised through a Participant in accordance with the rules and procedures of the Depository.

(7) Notwithstanding anything herein to the contrary, none of the Corporation nor the Trustee nor any agent thereof shall have any responsibility or liability for:

(a) the electronic records maintained by the Depository relating to any ownership interests or other interests in the Notes or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any Person in any Note represented by an electronic position in the non-certificated inventory system administered by CDS (other than Depository or its nominee);

(b) for maintaining, supervising or reviewing any records of the Depository or any Participant relating to any such interest; or

(c) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Participant.

(8) The Corporation may terminate the application of this Section 2.5 in its sole discretion in which case all Notes shall be evidenced by Note Certificates registered in the name of a Person other than the Depository.

Section 2.6 Execution of Notes

All Notes shall be signed (either manually or by facsimile or other electronic signature) by any one authorized director or officer of the Corporation holding office at the time of signing. A facsimile or electronic signature upon a Note shall for all purposes of this Indenture be deemed to be the signature of the person whose signature it purports to be. Notwithstanding that any person whose signature, either manual or in facsimile or electronic form, appears on a Note as a director or officer may no longer hold such office at the date of the Note or at the date of the certification and delivery thereof, such Note shall be valid and binding upon the Corporation and shall entitle the holder to the benefits of this Indenture.

Section 2.7 Certification

(1) No Note shall be issued or, if issued, shall be obligatory or shall entitle the holder to the benefits of this Indenture, until it has been manually certified or authenticated by or on behalf of the Trustee substantially in the form set out in this Indenture, in the relevant supplemental indenture, or in some other form approved by the Trustee. Such certification or authentication of any Note shall be conclusive evidence that such Note is duly issued, is a valid obligation of the Corporation and the holder is entitled to the benefits hereof. Notes will be authenticated on a Written Direction of the Corporation.

(2) The certificate of the Trustee signed on the Notes, or interim Notes hereinafter mentioned, and the authentication of any Uncertificated Notes shall not be construed as a representation or warranty by the Trustee as to the validity of this Indenture or of the Notes or interim Notes or as to the issuance of the Notes or interim Notes and the Trustee shall in no respect be liable or answerable for the use made of the Notes or interim Notes or any of them or the proceeds thereof. The certificate of the Trustee on the Notes or interim Notes and the authentication of Uncertificated Notes shall, however, be a representation and warranty by the Trustee that the Notes or interim Notes have been duly certified by or on behalf of the Trustee pursuant to the provisions of this Indenture.

(3) The Trustee shall authenticate Uncertificated Notes (whether upon original issuance, exchange, registration of transfer or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Notes hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Notes with respect to which this Indenture requires the Trustee to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Notes are binding on the Corporation.

Section 2.8 Interim Notes or Certificates

Pending the delivery of definitive Notes to the Trustee, the Corporation may issue and the Trustee certify in lieu thereof interim Notes in such forms and in such denominations and signed in such manner as provided herein, entitling the holders thereof to definitive Notes when the same are ready for delivery; or the Corporation may execute and the Trustee certify a temporary Note for the whole principal amount of Notes then authorized to be issued hereunder and deliver the same to the Trustee and thereupon the Trustee may issue its own interim certificates in such form and in such amounts, not exceeding in the aggregate the principal amount of the temporary Note so delivered to it, as the Corporation and the Trustee may approve entitling the holders thereof to definitive Notes when the same are ready for delivery; and, when so issued and certified, such interim or temporary Notes or interim certificates shall, for all purposes but without duplication, rank in respect of this Indenture equally with Notes duly issued hereunder and, pending the exchange thereof for definitive Notes, the holders of the interim or temporary Notes or interim certificates shall be deemed without duplication to be Noteholders and entitled to the benefit of this Indenture to the same extent and in the same manner as though the said exchange had actually been made. Forthwith after the Corporation shall have delivered the definitive Notes to the Trustee, the Trustee shall cancel such temporary Notes, if any, and shall call in for exchange all interim Notes or certificates that shall have been issued and forthwith after such exchange shall cancel the same. No charge shall be made by the Corporation or the Trustee to the holders of such interim or temporary Notes or interim certificates for the exchange thereof. All interest paid upon interim or temporary Notes or interim certificates shall be noted thereon as a condition precedent to such payment unless paid by cheque to the registered holders thereof.

Section 2.9 Mutilation, Loss, Theft or Destruction

In case any of the Notes issued hereunder shall become mutilated or be lost, stolen or destroyed, the Corporation, in its discretion, may issue, and thereupon the Trustee shall certify and deliver, a new Note upon surrender and cancellation of the mutilated Note, or in the case of a lost, stolen or destroyed Note, in lieu of and in substitution for the same, and the substituted Note shall be in a form approved by the Trustee and shall entitle the holder to the benefits of this Indenture and rank equally in accordance with its terms with all other Notes issued or to be issued hereunder. In case of loss, theft or destruction, the applicant for a substituted Note shall furnish to the Corporation and to the Trustee such evidence of the loss, theft or destruction of the Note as shall be satisfactory to them in their discretion and shall also furnish an indemnity and surety bond satisfactory to them in their discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Note.

Section 2.10 Concerning Interest

(1) All Notes issued hereunder, whether originally or upon exchange or in substitution for previously issued Notes which are interest bearing, shall bear interest from and including their issue date to and excluding the Maturity Date.

(2) Interest shall be computed on the basis of a year of 365 days or 366 days, as applicable. With respect to the Notes, whenever interest is computed on the basis of a year (the "**deemed year**") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

Section 2.11 Payments of Amounts Due on Maturity

Except as may otherwise be provided herein, payments of amounts due upon maturity of the Notes will be made in the following manner. The Corporation will establish and maintain with the Trustee a Maturity Account for the Notes. The Maturity Account shall be maintained by and be subject to the control of the Trustee for the purposes of this Indenture. On or before 11:00 a.m. (Toronto time) not less than one Business Day immediately prior to the Maturity Date for Notes outstanding from time to time under this Indenture, the Corporation will deliver to the Trustee a certified cheque or wire transfer for deposit in the Maturity Account in an amount sufficient to pay the cash amount payable in respect of such Notes (including the Principal Amount together with any accrued and unpaid interest thereon). The Trustee, on behalf of the Corporation, will pay to each holder entitled to receive payment the principal amount of and premium (if any) and accrued and unpaid interest on the Note, upon surrender of the Note at any branch of the Trustee designated for such purpose from time to time by the Corporation and the Trustee. The delivery of such funds to the Trustee for deposit to the Maturity Account will satisfy and discharge the liability of the Corporation for the Notes to which the delivery of funds relates to the extent of the amount delivered (plus the amount of any tax deducted as aforesaid) and such Notes will thereafter to that extent not be considered as outstanding under this Indenture and such holder will have no other right in regard thereto other than to receive out of the money so delivered or made available the amount to which it is entitled. Interest shall cease to accrue on the Notes upon the Maturity Date provided the Trustee has received, by the Maturity Date, from the Corporation all the funds due and payable on the Notes.

Section 2.12 Canadian Legend on the Notes

The certificates or other instruments representing the Notes will bear the following Canadian Legend in accordance with Applicable Securities Legislation:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DISTRIBUTION DATE]."

Section 2.13 U.S. Legend

(1) The Notes have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws. To the extent that Notes are offered and sold to U.S. Noteholders in reliance on an exemption from the registration requirements under the U.S. Securities Act, such Notes shall be "restricted securities" within the meaning assigned to that term in Rule 144(a)(3) under the U.S. Securities Act. Subject to Section 2.13(3) and Section 2.13(4), such Notes issued to U.S. Noteholders (other than Qualified Institutional Buyers) shall be issued as Restricted Notes and, until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or state securities laws, shall bear the following legend (the **"U.S. Legend**"):

(a) **"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH NOTES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "CORPORATION"), THAT SUCH NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S.**

SECURITIES ACT AND IN COMPLIANCE WITH ALL LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE, OR (II) RULE 144A, THEREUNDER, IF AVAILABLE, AND IN EACH CASE IS COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL, OF RECOGNIZED STANDING, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that, if such Notes are being sold in compliance with the requirements of Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply, and in compliance with Canadian local laws and regulations, the U.S. Legend may be removed by an executed certificate to the Corporation substantially as set forth in Schedule B (or as the Corporation may prescribe from time to time), including the certification in item 1 thereto, together with any other evidence reasonably requested by the Corporation, which evidence may include an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Corporation, to the effect that the transfer is being made in compliance with Rule 904 of Regulation S; provided further that if the Notes are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, the U.S. Legend may be removed by delivery to the Corporation of an opinion of counsel, of recognized standing, in form and substance reasonably satisfactory to the Corporation, that the Notes no longer require the U.S. Legend under applicable requirements of the U.S. Securities Act or applicable state securities laws. Provided that the Trustee obtains confirmation from the Corporation that such counsel is satisfactory to it, it shall be entitled to rely on such opinion of counsel without further inquiry.

(2) The parties hereto hereby acknowledge and agree that the Notes held by U.S. Noteholders (other than Qualified Institutional Buyers) may not be reoffered, or resold, pledged or otherwise transferred except in accordance with the requirements of Section 2.13(1)(a).

(3) Prior to the issuance of the Notes, the Corporation shall notify the Trustee, in writing, concerning which Notes are to be included in the Restricted Notes which shall bear the U.S. Legend. All Notes issued to U.S. Noteholders (other than Qualified Institutional Buyers) shall bear the U.S. Legend. The Trustee will thereafter maintain a list of all registered holders from time to time of such legended Notes which are included in the Restricted Notes.

(4) All Notes issued to U.S. Noteholders that are Qualified Institutional Buyers shall be Unrestricted Uncertificated Notes.

ARTICLE 3 – REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

Section 3.1 Fully Registered Notes

(1) The Corporation shall cause to be kept by and at the principal office of the Trustee in Calgary, Alberta and by the Trustee or such other registrar as the Corporation, with the approval of the Trustee, may

appoint at such other place or places, if any, as may be specified in the Notes or as the Corporation may designate with the approval of the Trustee, registers in which shall be entered the names and addresses of the holders of Fully Registered Notes and particulars of the Notes, held by them respectively and of all transfers of Fully Registered Notes. Such registration shall be noted on the Notes by the Trustee or other registrar unless a new Note shall be issued upon such transfer. Each of the Notes is intended to be in registered form (within the meaning of Sections 5f.103-1(c) and 1.871-14(c)(1)(i) of the United States Treasury Regulations) for U.S. federal income tax purposes, and the provisions of this Indenture or the Notes shall be interpreted and applied in a manner consistent therewith. Notwithstanding any other provisions in this Indenture or the Notes, all of the Notes shall be made Fully Registered Notes for U.S. Tax purposes.

(2) No transfer of a Fully Registered Note shall be valid unless made on the applicable register referred to in Section 3.1(1) by the registered holder or such holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Trustee or other registrar upon surrender of the Notes together with a duly executed form of transfer acceptable to the Trustee upon compliance with such other reasonable requirements as the Trustee or other registrar may prescribe, or unless the name of the transferee shall have been noted on the Note by the Trustee or other registrar.

(3) Notwithstanding any other provisions in this Indenture or the Notes, transfers and exchanges of Restricted Notes shall be made in accordance with this Section 3.1(2):

(a) **Transfer and Exchange of Interests in a Restricted Uncertificated Note for Interests in an Unrestricted Uncertificated Note.** An interest in a Restricted Uncertificated Note may be exchanged by any holder thereof for an interest in an Unrestricted Uncertificated Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Uncertificated Note if the Corporation receives the following:

(i) if the holder of such interest in a Restricted Uncertificated Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Uncertificated Note, a certificate from such holder in the form of Schedule C, including the certifications in item (1) thereof; or

(ii) if the holder of such beneficial interest in a Restricted Uncertificated Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Uncertificated Note, a certificate from such holder in the form of Schedule B, including the certifications in item (1) or (2) thereof, as applicable;

and, in each such case set forth in this Section 3.1(3)(a)(i) and Section 3.1(3)(a)(ii) with respect to items (2) of Schedule B, an opinion of counsel of recognised standing, in form and substance reasonably satisfactory to the Corporation, to the effect that such transfer or exchange is in compliance with the U.S. Securities Act and all applicable state securities laws.

(b) **Transfer of Restricted Physical Note for Restricted Physical Note or Restricted Uncertificated Note.** A Restricted Physical Note may be transferred to a Person who takes delivery thereof in the form of a Restricted Physical Note or a Restricted Uncertificated Note if the Corporation receives an opinion of counsel of recognised standing, in form and substance reasonably satisfactory to the Corporation, to the effect that such transfer is in compliance with an available exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws.

(c) **Transfer and Exchange of Restricted Physical Notes for Unrestricted Physical Notes or Unrestricted Uncertificated Notes.** A Restricted Physical Note may be exchanged by the holder thereof for an Unrestricted Physical Note or transferred to a Person who takes delivery thereof in the form of an Unrestricted Uncertificated Note if the Corporation receives the following:

(i) if the holder of such Restricted Physical Note proposes to exchange such Note for an Unrestricted Physical Note, a certificate from such holder in the form of Schedule C, including the certifications in item (1)(b) thereof; or

(ii) if the holder of such Restricted Physical Note proposes to transfer such Note to a Person outside of the United States who shall take delivery thereof in the form of an Unrestricted Physical Note or Unrestricted Uncertificated Note, a certificate from such holder in the form of Schedule B, including the certifications in item (1) thereof; or

(iii) if the holder of such Restricted Physical Note proposes to transfer such Note to a Person who will be a U.S. Noteholder and shall take delivery thereof in the form of an Unrestricted Uncertificated Note, a certificate from such holder in the form of Schedule B, including the certifications in item (2) thereof; or

(iv) if the holder of such Restricted Physical Note proposes to transfer such Note to a Person who will be a U.S. Noteholder and shall take delivery thereof in the form of an Unrestricted Physical Note, a certificate from such holder in the form of Schedule B, including the certifications in item (2) thereof;

and, in each such case set forth in this Section 3.1(3)(c)(i), Section 3.1(3)(c)(iii) and Section 3.1(3)(c)(iv), an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that such transfer or exchange is in compliance with the U.S. Securities Act and all applicable state securities laws.

Section 3.2 Transferee Entitled to Registration

The transferee of a Note shall be entitled, after the appropriate form of transfer is lodged with the Trustee or other registrar and upon compliance with all other conditions in that behalf required by this Indenture or by law, to be entered on the applicable register as the owner of such Note free from all equities or rights of set-off or counterclaim between the Corporation and the transferor or any previous holder of such Note, save in respect of equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. Upon surrender for registration of transfer of Notes, the Corporation shall issue and thereupon the Trustee shall certify and deliver a new Note Certificate or confirm the electronic deposit of Uncertificated Notes of like tenor in the name of the designated transferee and register such transfer in accordance with Section 3.1. If less than all the Notes evidenced by the Note Certificate(s) or Uncertificated Notes so surrendered are transferred, the transferor shall be entitled to receive, in the same manner, a new Note Certificate or electronically deposited Uncertificated Notes registered in his name evidencing the Notes not transferred.

Section 3.3 No Notice of Trusts

Neither the Corporation nor the Trustee nor any registrar shall be bound to take notice of or see to the execution of any trust (other than that created by this Indenture) whether express, implied or constructive, in respect of any Note, and may transfer the same on the direction of the person registered as the holder thereof, whether named as trustee or otherwise, as though that person were the beneficial owner thereof.

Section 3.4 Registers Open for Inspection

The registers referred to in Sections 3.1 shall at all reasonable times be open for inspection by the Corporation, the Trustee or any Noteholder. Every registrar, including the Trustee, shall from time to time when requested so to do by the Corporation, in writing, furnish the Corporation with a list of names and addresses of holders of registered Notes entered on the registers kept by them and showing the principal amount of the applicable series and serial numbers of the Notes held by each such holder.

Section 3.5 Exchanges of Notes

(1) Subject to Section 3.1 and 3.6, Notes in any authorized form or denomination, other than Uncertificated Notes, may be exchanged for Notes of the same series in any other authorized form or denomination, equal to the same aggregate principal amount as the Notes so exchanged.

(2) In respect of exchanges of Notes permitted by Section 3.5(1), Notes may be exchanged only at the principal offices of the Trustee in the city of Calgary, Alberta or at such other place or places, if any, as may be specified in the Notes and at such other place or places as may from time to time be designated by the Corporation with the approval of the Trustee. Any Notes surrendered for exchange shall be surrendered to the Trustee. The Corporation shall execute and the Trustee shall certify all Notes necessary to carry out exchanges as aforesaid. All Notes surrendered for exchange shall be cancelled.

(3) Notes issued in exchange for Notes which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner and shall have noted thereon a statement to that effect.

Section 3.6 Closing of Registers

Subject to any restriction herein provided, the Corporation with the approval of the Trustee may at any time close any register of Notes, other than those kept at the principal offices of the Trustee in Calgary, Alberta, and transfer the registration of any Notes registered thereon to another register (which may be an existing register) and thereafter such Notes shall be deemed to be registered on such other register. Notice of such transfer shall be given to the holders of such Notes.

Section 3.7 Charges for Registration, Transfer and Exchange

For each Note exchanged, registered, transferred or discharged from registration, the Trustee or other registrar, except as otherwise herein provided, may make a reasonable charge for its services and in addition may charge a reasonable sum for each new Note issued (such amounts to be agreed upon from time to time by the Trustee and the Corporation), and payment of such charges and reimbursement of the Trustee or other registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a

condition precedent thereto. Notwithstanding the foregoing provisions, no charge shall be made to a Noteholder hereunder:

(a) for any exchange, registration, transfer or discharge from registration of any Note applied for within a period of two months from the date of the first delivery of Notes;

(b) for any exchange of any interim or temporary Note or interim certificate that has been issued under Section 2.8 for a definitive Note; or

(c) for any exchange of an Uncertificated Note as contemplated in Section 3.1.

Section 3.8 Ownership of Notes

(1) Unless otherwise required by law, the person in whose name any registered Note is registered shall for all purposes of this Indenture be and be deemed to be the owner thereof and payment of or on account of the principal of and premium, if any, on such Note and interest thereon shall be made to such registered holder.

(2) The registered holder for the time being of any registered Note shall be entitled to the principal, premium, if any, and/or interest evidenced by such instruments, respectively, free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt of any such registered holder for any such principal, premium or interest shall be a good discharge to the Trustee, any registrar and to the Corporation for the same and none shall be bound to inquire into the title of any such registered holder.

(3) Where Notes are registered in more than one name, the principal, premium, if any, and interest from time to time payable in respect thereof may be paid to the order of all such holders, and the receipt of any one of such holders therefor shall be a valid discharge, to the Trustee, any registrar and to the Corporation.

(4) In the case of the death of one or more joint holders of any Note the principal, premium, if any, and interest from time to time payable thereon may be paid to the order of the survivor or survivors of such registered holders upon receipt of documents that may be required by the Trustee and the receipt of any such survivor or survivors therefor shall be a valid discharge to the Trustee and any registrar and to the Corporation.

ARTICLE 4 – PURCHASE OF NOTES

Section 4.1 Purchase of Notes by the Corporation

(1) The Corporation may, if it is not at the time in default hereunder, at any time and from time to time, purchase Notes in the market (which shall include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by contract, at any price. All Notes so purchased may be delivered to the Trustee and shall be cancelled and no Notes shall be issued in substitution therefor.

(2) If, upon an invitation for tenders, more Notes are tendered at the same lowest price than the Corporation is prepared to accept, the Notes to be purchased by the Corporation shall be selected by the Trustee on a pro rata basis from the Notes tendered by each tendering Noteholder who tendered at such lowest price. For this purpose, the Trustee may make, and from time to time amend, regulations with respect

to the manner in which Notes may be so selected, and regulations so made shall be valid and binding upon all Noteholders, notwithstanding the fact that as a result thereof one or more of such Notes become subject to purchase in part only. The holder of a Note of which a part only is purchased, upon surrender of such Note for payment, shall be entitled to receive, without expense to such holder, one or more new Notes for the unpurchased part so surrendered, and the Trustee shall certify and deliver such new Note or Notes upon receipt of the Note so surrendered or, with respect to an Uncertificated Note, the Depository shall electronically deposit the unpurchased part so surrendered.

Section 4.2 Deposit of Maturity Monies

Payment on maturity of Notes shall be provided for by the Corporation depositing, by way of wire payment or certified cheque, with the Trustee or any paying agent to the order of the Trustee, on or before 11:00 a.m. (Toronto time) not less than one Business Day immediately prior to the Maturity Date a sum of money equal to the Principal Amount and all accrued and unpaid interest on the Notes up to and excluding the Maturity Date. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection therewith. Every such deposit shall be in immediately available funds and shall be irrevocable. From the sums so deposited, the Trustee shall pay or cause to be paid to the holders of such Notes, upon surrender of such Notes, the principal and interest to which they are respectively entitled on the Maturity Date.

ARTICLE 5 – COVENANTS OF THE CORPORATION

Section 5.1 Covenants

The Corporation hereby covenants and agrees with the Trustee for the benefit of the Trustee and the Noteholders, that so long as any Notes remain outstanding:

(a) **Corporate Existence**. The Corporation shall preserve and maintain its corporate existence except as otherwise permitted hereunder;

(b) **Pay Taxes**. The Corporation shall duly pay or cause to be paid, and cause each of its Subsidiaries to pay or cause to be paid, when due (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its income, sales, capital or profit or any other property belonging to it; and (ii) all claims which, if unpaid, might by law become a Lien upon its assets; except any such tax, assessment, charge, levy or claim which is being contested in good faith and by proper proceedings and in respect of which the Corporation or its Subsidiaries have established adequate reserves in accordance with IFRS;

(c) **Compliance with Laws, etc.** The Corporation shall comply, and cause each of its Subsidiaries to comply, with the requirements of all applicable laws, judgments, orders, decisions and awards, other than acts of non-compliance which are not material and other than in respect of certain United States federal laws relating to the cultivation, distribution or possession of marijuana in the United States;

(d) **Insurance**. The Corporation shall maintain or cause to be maintained, in respect of itself and each of its material Subsidiaries, insurance at all times with responsible insurance carriers and in such amounts and covering such risks as are usually carried by companies engaged in similar businesses, and, in the event any proceeds (other than proceeds that a landlord is entitled to under a lease agreement entered into prior to the date of this

Indenture) of such insurance policies are paid out prior to the payment of the Principal Amount and any accrued but unpaid interest, the Corporation shall direct, or cause to be directed, all such insurance proceeds to the Trustee (or any paying agent), up to the Principal Amount and any accrued but unpaid interest;

(e) **Financial Statements**. Unless otherwise filed on SEDAR or EDGAR, the Corporation shall furnish the Trustee with copies of all interim and annual consolidated financial statements, and the report, if any, of the auditors thereon, such statements and reports to be furnished to the Trustee within 45 days of the end of each fiscal quarter in the case of interim financial statements and within 90 days of the Corporation's fiscal year end in the case of annual audited statements;

(f) **Notification of Default**. The Corporation shall notify the Trustee in writing immediately upon becoming aware of any default hereunder (which would become an Event of Default upon the giving of notice or the passage of time) or Event of Default hereunder;

(g) **Other Information**. The Corporation shall provide or cause to be provided such other information respecting the condition or operations, financial or otherwise, of the Corporation's or its Subsidiaries' businesses or the Corporation or its Subsidiaries as the Trustee may from time to time reasonably request;

(h) **Permitted Debt**. The Corporation shall not, create, incur, assume or suffer to exist or permit any of its Subsidiaries to create, incur, assume or suffer to exist any indebtedness for borrowed money other than the following (collectively "**Permitted Debt**"): (i) indebtedness of the Corporation incurred under this Indenture or the Notes, (ii) indebtedness incurred in respect of purchase money mortgages, (iii) unsecured indebtedness up to one hundred million (US$100,000,000), (iv) any refinancing, replacement or renewal of Existing Indebtedness, (v) indebtedness incurred in connection with a Sale/Leaseback Transaction; (vi) indebtedness incurred in connection with the Additional Offering;

(i) **Mergers, Etc**. Subject to the next following sentence, and excluding any Internal Reorganization, the Corporation shall not enter into, or permit any of its Subsidiaries to enter into, any reorganization, consolidation, amalgamation, arrangement, winding-up, merger or other similar transaction. The Corporation and any of its Subsidiaries may enter into such transactions if (i) immediately after giving effect to the transaction, no event shall have occurred and be continuing which constitutes an Event of Default, (ii) the continuing corporation shall be a corporation incorporated under the laws of one of the states of the United States or Canada and (iii) the continuing corporation (if such is not a Subsidiary of the Corporation) is bound by or fully assumes all of the Corporation's obligations under this Indenture;

(j) **Disposal of Assets**. The Corporation shall not sell, exchange, lease, release or abandon or otherwise dispose of, or permit any of its Subsidiaries to sell, exchange, lease, release or abandon or otherwise dispose of, any material assets or all or substantially all of their assets or properties; provided that the Corporation and its Subsidiaries shall be permitted to sell, lease, or otherwise dispose of assets and property (i) in an ordinary course manner, (ii) in connection with an Internal Reorganization, (iii) in connection with a Sale/Leaseback Transaction, or (iv) for fair market value, provided that, within 365 days of such sale, lease or disposal of assets and property for fair market value, the proceeds thereof are either (A) reinvested in new or replacement assets, (B) used for capital expenditures, or (C) used to repay, prepay, redeem, purchase or repurchase Indebtedness secured by a Lien.

(k) **Transactions with Related Parties**. Except as otherwise permitted in Section 5.1(i) and Section 5.1(m), the Corporation shall not directly or indirectly, enter into or allow any of its Subsidiaries to enter into, any material agreement with or otherwise enter into any material transaction with, a Related Party except in the ordinary course of, and pursuant to the reasonable requirements of, business and at prices and on terms not less favourable to the Corporation or its Subsidiary, as the case may be, than could be obtained in a comparable arm's length transaction with another Person;

(l) **Change in Business**. The Corporation shall not make any material change in the nature of its business or permit any of its Subsidiaries to make any material change in the nature of its business;

(m) **Distributions**. The Corporation shall not declare, make or pay any Distributions other than (i) pursuant to the Corporation's existing normal course issuer bid; (ii) distributions funded directly or indirectly by an arm's length third party; or (iii) any annual dividends in the ordinary course not to exceed US$500,000. For purposes of this Section 5.1(n) "**Distribution**" means with respect to any Person the amount of (A) any dividend or other distribution on issued shares of the Person, or (B) the purchase, redemption or retirement amount of any issued shares, warrants or any other options or rights to acquire shares of the Person redeemed or purchased by the Person, but excluding any purchase, redemption or retirement made in connection with the acquisition of minority equity interests in any of the Corporation's Subsidiaries or made in connection with any of the Corporation's and/or its Subsidiaries' incentive plans.

(n) **Location of Assets**. The Corporation shall provide 30 days written notice to the Trustee if it, or any of its Subsidiaries, change their (i) place of business or, if more than one, the chief executive office, (ii) location of their registered office and head office, (iii) jurisdiction of formation, or (iv) location of their books and records and senior management;

(o) **Voluntary Payment**. The Corporation or its Subsidiaries shall not, directly or indirectly, voluntarily prepay, redeem, or otherwise retire, the whole or part of any Existing Indebtedness, prior to the payment of the Principal Amount and any accrued but unpaid interest;

(p) **Minimum Liquidity.** The Corporation and its Subsidiaries, on a consolidated basis, will be required to hold unrestricted cash and/or cash equivalents at the end of each fiscal quarter in an aggregate amount of at least US$15.0 million.

(q) **Payment of Interest**. The Corporation covenants and agrees for the benefit of the holders of Notes that it will duly and punctually pay the principal of, premium, if any, and interest on the Notes in accordance with the terms of the Indenture. Principal, premium, and interest shall be considered paid on the date due if on such date the Trustee holds in accordance with this Indenture money sufficient to pay all principal, premium and interest then due and the Trustee is not prohibited from paying such money to the holders of Notes on that date pursuant to the terms of this Indenture.

Section 5.2 First Ranking Security

(a) **Liens**. The Corporation shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind (other than Permitted Liens) securing indebtedness upon any of their assets or properties, now owned or hereafter acquired unless, contemporaneously with the incurrence of such Lien, all payments due under this Indenture and the Notes are secured equally and rateably with (or prior to) the obligations secured by any such Lien until such time as such obligations are no longer secured by a Lien; and

(b) **Additional Offering.** For greater certainty, nothing in this Indenture shall prohibit the registration of Liens securing the obligations of the Corporation and its Subsidiaries under an Additional Offering; provided that, contemporaneously with the incurrence of such Liens, all payments due under this Indenture and the Notes are secured equally and rateably with (or prior to) the Lien securing the obligations under the Additional Offering.

(c) **Registration of First Priority Lien.** If a Lien pursuant to Section 5.2(a) securing all payments due under this Indenture and the Notes has not been registered within one hundred and twenty (120) days of the Issue Date, the Corporation and its Subsidiaries shall deliver to the Trustee (at the Corporation's expense), as soon as is practicable following any applicable regulatory approval or consent, executed copies of security documentation securing payments due under this Indenture and the Notes and take such steps as may be reasonably necessary in order to perfect the first priority Lien granted under such security documentation, in each jurisdiction that a material portion of the Corporation and its Subsidiaries assets are located. Notwithstanding anything in the Indenture or Security Documents to the contrary, the Trustee shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the perfection or maintenance of any security interest created hereunder.

ARTICLE 6 - DEFAULT

Section 6.1 Events of Default

Each of the following events constitutes, and is herein sometimes referred to as, an "**Event of Default**":

(a) the Corporation defaults in payment of the Principal Amount and any accrued but unpaid interest when such amounts become due and payable under the provisions of this Indenture and such default continues for a period of five (5) Business Days;

(b) the Corporation fails to pay the principal of, or premium or interest on, any of its Existing Indebtedness when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to such debt without waiver of failure by the holder of the debt;

(c) a judgment in an amount of, or in excess of, US$10,000,000 (or the equivalent amount in any other currency) is rendered against the Corporation and either (i) enforcement proceedings have been commenced by a creditor upon a judgement order or (ii) there is any period of 30 consecutive days during which a stay of enforcement of the judgement or order by reason of a pending appeal or otherwise is not in effect;

(d) the Corporation or any of its Subsidiaries: (i) becomes insolvent or generally not able to pay its debts as they become due; (ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors; (iii) institutes or has instituted against it any proceeding seeking (A) to adjudicate it a bankrupt or insolvent, (B) liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving or affecting its creditors, or (C) the entry of an order for relief or the appointment of a receiver, receiver manager, trustee, custodian or other similar official for it or for any substantial part of its properties and assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, custodian or other similar official for it or for any substantial part of its properties and assets) occurs; or (iv) takes any corporate action to authorize any of the above actions;

(e) the Corporation ceases to generally carry on business;

(f) the Corporation fails to observe, perform or comply with any other term, covenant or condition contained in this Indenture (to be observed, performed or complied with by it) and, after notice in writing has been given by the Trustee to the Corporation specifying such default and requiring the Corporation to rectify the same, the Corporation shall fail to rectify such default within a period of thirty (30) Business Days unless the Trustee shall have agreed to a longer period and in such event, within the period agreed to by the Trustee;

(g) there is a Change of Control;

(h) a Termination Event occurs and the Corporation and/or its Subsidiaries, as applicable, either (i) fail to appeal or dispute the termination or revocation of the licences and permits subject to such Termination Event within 30 days of such Termination Event occurring; or (ii) exhaust all ability to appeal or dispute the termination or revocation of the licences and permits subject to such Termination Event; or

(i) the Corporation (or any successor entity) ceases to be a reporting issuer (as such term is defined in the *Securities Act* (Ontario).

If (ii) an Event of Default (other than an Event of Default under Section 6.1(d)) occurs and is continuing for thirty (30) days following notice from the Trustee to the Corporation of such Event of Default, the Trustee may, in its discretion, but subject to the provisions of this section, and shall, upon receipt of a request in writing signed by the holders of not less than 50% in principal amount of the Notes then outstanding, subject to the provisions of Section 6.3, by notice in writing to the Corporation declare the Principal Amount and accrued but unpaid interest, if any, on all Notes then outstanding and all other monies outstanding hereunder to be due and payable and the same shall thereupon forthwith become immediately due and payable to the Trustee, and (ii) an Event of Default under Section 6.1(d) occurs, the Principal Amount and accrued but unpaid interest, if any, on all Notes then outstanding hereunder and all other monies outstanding hereunder, shall automatically without any declaration or other act on the part of the

Trustee or any Noteholder become immediately due and payable to the Trustee and, in either case, upon such amounts becoming due and payable in either (i) or (ii) above, the Corporation shall forthwith pay to the Trustee for the benefit of the Noteholders such Principal Amount and accrued and unpaid interest, if any, and interest on amounts in default on such Note and all other monies outstanding hereunder, together with subsequent interest at the rate borne by the Notes on such Principal Amount and interest and such other monies from the date of such declaration or event until payment is received by the Trustee, such subsequent interest to be payable at the times and places and in the manner mentioned in and according to the tenor of the Notes. Such payment when made shall be deemed to have been made in discharge of the Corporation's obligations hereunder and any monies so received by the Trustee shall be applied in the manner provided in Section 6.6.

Section 6.2 Notice of Events of Default

If an Event of Default shall occur and be continuing the Trustee shall, within 30 days after it receives written notice of the occurrence of such Event of Default, give notice of such Event of Default to the Noteholders in the manner provided in Section 9.2, provided that notwithstanding the foregoing, unless the Trustee shall have been requested to do so by the holders of at least 50% of the principal amount of the Notes then outstanding, the Trustee shall not be required to give such notice if the Trustee in good faith shall have determined that the withholding of such notice is in the best interests of the Noteholders and shall have so advised the Corporation in writing.

When notice of the occurrence of an Event of Default has been given and the Event of Default is thereafter cured, notice that the Event of Default is no longer continuing shall be given by the Trustee to the Noteholders within 15 days after the Trustee becomes aware the Event of Default has been cured.

Section 6.3 Waiver of Default

(1) Upon the happening of any Event of Default hereunder:

(a) the holders of the Notes shall have the power (in addition to the powers exercisable by Extraordinary Resolution as hereinafter provided) by requisition in writing by the holders of more than 50% of the aggregate principal amount of Notes then outstanding, to instruct the Trustee to waive any Event of Default and to cancel any declaration made by the Trustee pursuant to Section 6.1 and the Trustee shall thereupon waive the Event of Default and cancel such declaration, or either, upon such terms and conditions as shall be prescribed in such requisition; and

(b) the Trustee, so long as it has not become bound to declare the Principal Amount and interest on the Notes then outstanding to be due and payable, or to obtain or enforce payment of the same, shall have power to waive any Event of Default if, in the Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Trustee in the exercise of its discretion, upon such terms and conditions as the Trustee may deem advisable.

(2) No such act or omission either of the Trustee or of the Noteholders shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

Section 6.4 Enforcement by the Trustee

(1) Subject to the provisions of Section 6.3 and to the provisions of any Extraordinary Resolution that may be passed by the Noteholders, if the Corporation shall fail to pay to the Trustee, forthwith after the same shall have been declared to be due and payable under Section 6.1, the principal of and interest on all Notes then outstanding, together with any other amounts due hereunder, the Trustee may in its discretion and shall upon receipt of a request in writing signed by the holders of not less than 50% in principal amount of the Notes then outstanding and upon being funded and indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed in its name as trustee hereunder to obtain or enforce payment of Principal Amount and interest on all the Notes then outstanding together with any other amounts due hereunder by such proceedings authorized by this Indenture or by law or equity as the Trustee in such request shall have been directed to take, or if such request contains no such direction, or if the Trustee shall act without such request, then by such proceedings authorized by this Indenture or by suit at law or in equity as the Trustee shall deem expedient.

(2) The Trustee shall be entitled and empowered, either in its own name or as trustee of an express trust, or as attorney-in-fact for the holders of the Notes, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Trustee and of the holders of the Notes allowed in any insolvency, bankruptcy, liquidation or other judicial proceedings relative to the Corporation or its creditors or relative to or affecting the Corporation's property. The Trustee is hereby irrevocably appointed (and the successive respective holders of the Notes by taking and holding the same shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective holders of the Notes with authority to make and file in the respective names of the holders of the Notes or on behalf of the holders of the Notes as a class, subject to deduction from any such claims of the amounts of any claims filed by any of the holders of the Notes themselves, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all such acts and things for and on behalf of such holders of the Notes, as may be necessary or advisable in the opinion of the Trustee, in order to have the respective claims of the Trustee and of the holders of the Notes against the Corporation or its property allowed in any such proceeding, and to receive payment of or on account of such claims; provided, however, that subject to Section 6.3, nothing contained in this Indenture shall be deemed to give to the Trustee, unless so authorized by Extraordinary Resolution, any right to accept or consent to any plan of reorganization or otherwise by action of any character in such proceeding to waive or change in any way any right of any Noteholder.

(3) The Trustee shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Noteholders.

(4) All rights of action hereunder may be enforced by the Trustee without the possession of any of the Notes or the production thereof on the trial or other proceedings relating thereto.

(5) Any such suit or proceeding instituted by the Trustee shall be brought in the name of the Trustee as trustee of an express trust, and any recovery of judgment shall be for the rateable benefit of the holders of the Notes subject to the provisions of this Indenture. In any proceeding brought by the Trustee (and also any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Notes, and it shall not be necessary to make any holders of the Notes parties to any such proceeding.

Section 6.5 No Suits by Noteholders

Except as otherwise set out in this Indenture, no holder of any Note shall have any right to institute any action, suit or proceeding at law or in equity for the purpose of enforcing payment of the Principal Amount or any accrued interest or for the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or for a receiving order under the *Bankruptcy and Insolvency Act* (Canada) or to have the Corporation wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless: (a) such holder shall previously have given to the Trustee written notice of the happening of an Event of Default hereunder; and (b) the Noteholders by Extraordinary Resolution shall have made a request to the Trustee and the Trustee shall have been afforded reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose; and (c) the Noteholders or any of them shall have furnished to the Trustee, when so requested by the Trustee, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; (d) the Trustee shall have failed to act within a reasonable time after such notification, request and offer of indemnity; and (e) no direction inconsistent with such request has been received by the Trustee from holders of a majority in principal amount of the outstanding Notes, and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of any Notes.

Section 6.6 Application of Monies by Trustee

(1) Except as herein otherwise expressly provided, any monies received by the Trustee from the Corporation pursuant to the foregoing provisions of this Article 6, or as a result of legal or other proceedings or from any trustee in bankruptcy or liquidator of the Corporation, shall be applied, together with any other monies in the hands of the Trustee available for such purpose, as follows:

(a) first, in payment or in reimbursement to the Trustee of the reasonable compensation, costs, charges, expenses, borrowings, advances of the Trustee or other monies furnished or provided by or the instance of the Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture, with interest thereon as herein provided;

(b) second, but subject as hereinafter in this Section 6.6 provided, in payment, rateably and proportionately to the holders of Notes, of the principal and accrued and unpaid interest and interest on amounts in default on the Notes which shall then be outstanding in the priority of principal first and then premium and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by Extraordinary Resolution and in that case in such order or priority as between principal and interest as may be directed by such resolution; and

(c) third, in payment of the surplus, if any, of such monies to the Corporation or its assigns;

provided, however, that no payment shall be made pursuant to clause (b) above in respect of the principal or interest on any Note held, directly or indirectly, by or for the benefit of any Subsidiary of the Corporation (other than any Note pledged for value and in good faith to a person other than any Subsidiary of the Corporation but only to the extent of such person's interest therein) except subject to the prior payment in full of the principal and interest (if any) on all Notes which are not so held.

(2) The Trustee shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, after reserving thereout such amount as the Trustee

may think necessary to provide for the payments mentioned in Section 6.6(1), is insufficient to make a distribution of at least 2% of the aggregate principal amount of the outstanding Notes, but it may retain the money so received by it and invest or deposit the same as provided in Section 10.9 until the money or the investments representing the same, with the income derived therefrom, together with any other monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall, however, not apply to a final payment in distribution hereunder.

Section 6.7 Notice of Payment by Trustee

Not less than 15 days' notice shall be given in the manner provided in Section 9.2 by the Trustee to the Noteholders of any payment to be made under this Article 6. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture to which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Noteholders will be entitled to interest only on the balance (if any) of the principal monies, and interest due (if any) to them, respectively, on the Notes, after deduction of the respective amounts payable in respect thereof on the day so fixed.

Section 6.8 Trustee May Demand Production of Notes

The Trustee shall have the right to demand production of the Notes in respect of which any payment of the Principal Amount, interest or premium required by this Article 6 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement, upon such indemnity being given to it and to the Corporation as the Trustee shall deem sufficient.

Section 6.9 Remedies Cumulative

No remedy herein conferred upon or reserved to the Trustee, or upon or to the holders of Notes is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

Section 6.10 Immunity of Directors, Officers and Others

The Noteholders and the Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future officer, director or employee of the Corporation or its Subsidiaries or holder of any shares of the Corporation or of any successor for the payment of the Principal Amount or premium or interest on any of the Notes or on any covenant, agreement, representation or warranty by the Corporation contained herein or in the Notes.

ARTICLE 7 – DISCHARGE

Section 7.1 Cancellation and Destruction

All Notes shall forthwith after payment thereof be delivered to the Trustee and cancelled by it. All Notes cancelled or required to be cancelled under this or any other provision of this Indenture shall be destroyed by the Trustee and, if required by the Corporation, the Trustee shall furnish to it a destruction certificate setting out the designating numbers of the Notes so destroyed.

Section 7.2 Non-Presentation of Notes

In case the holder of any Note shall fail to present the same for payment on the date on which the principal of or the interest thereon or represented thereby becomes payable either at maturity or otherwise or shall not accept payment on account thereof and give such receipt therefor, if any, as the Trustee may require:

(a) the Corporation shall be entitled to pay or deliver to the Trustee and direct it to set aside; or

(b) in respect of monies in the hands of the Trustee which may or should be applied to the payment of the Notes, the Corporation shall be entitled to direct the Trustee to set aside; or

(c) if the redemption was pursuant to notice given by the Trustee, the Trustee may itself set aside;

the monies in trust to be paid to the holder of such Note upon due presentation or surrender thereof in accordance with the provisions of this Indenture; and thereupon the principal of, or the interest payable on, or represented by each Note in respect whereof such monies have been set aside shall be deemed to have been paid and the holder thereof shall thereafter have no right in respect thereof except that of receiving delivery and payment of the monies so set aside by the Trustee upon due presentation and surrender thereof, subject always to the provisions of Section 7.3.

Section 7.3 Repayment of Unclaimed Monies

Subject to Applicable Law, any monies set aside under Section 7.2 and not claimed by and paid to holders of Notes as provided in Section 7.2 within six years after the date of such setting aside shall be repaid and delivered to the Corporation upon written request of the Corporation to the Trustee and thereupon the Trustee shall be released from all further liability with respect to such monies and thereafter the holders of the Notes in respect of which such monies were so repaid to the Corporation shall have no rights in respect thereof except to obtain payment and delivery of the monies from the Corporation subject to any limitation provided by the laws of the Province of Ontario.

Section 7.4 Discharge

(1) The Trustee shall at the written request of the Corporation release and discharge this Indenture and the Notes, execute and deliver such instruments as it shall be advised by Counsel are requisite for that purpose and to release the Corporation from its covenants herein contained (other than the provisions relating to the indemnification of the Trustee), upon proof being given to the reasonable satisfaction of the Trustee that the principal of, and interest (including interest on amounts in default, if any), on all the Notes and all other monies payable hereunder have been paid or satisfied or that all the Notes having matured payment of the principal of and interest (including interest on amounts in default, if any) on such Notes and of all other monies payable hereunder has been duly and effectually provided for in accordance with the provisions hereof including the payment of all costs, charges and expenses properly incurred by the Trustee and all interest thereon.

ARTICLE 8 – MEETINGS OF NOTEHOLDERS

Section 8.1 Right to Convene Meeting

The Trustee or the Corporation may at any time and from time to time, and the Trustee shall, on receipt of a Written Direction of the Corporation or a written request signed by the holders of not less than 50% of the principal amount of the Notes then outstanding and upon receiving funding and being indemnified to its reasonable satisfaction by the Corporation or by the Noteholders signing such request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Noteholders. In the event of the Trustee failing, within 30 days after receipt of any such request and such funding of indemnity, to give notice convening a meeting, the Corporation or such Noteholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Toronto, Ontario or at such other place as may be approved or determined by the Corporation and the Trustee.

Section 8.2 Notice of Meetings

At least 21 days' notice of any meeting shall be given to the Noteholders in the manner provided in Section 9.2 and a copy of such notice shall be sent by post to the Trustee, unless the meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article. The accidental omission to give notice of a meeting to any holder of Notes shall not invalidate any resolution passed at any such meeting. A holder may waive notice of a meeting either before or after the meeting.

Section 8.3 Chairman

Some person, who need not be a Noteholder, nominated in writing by the Corporation (in case it convenes the meeting) or by the Trustee (in any other case) shall be chairman of the meeting and if no person is so nominated, or if the person so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, a majority of the Noteholders present in person or by proxy shall choose some person present to be chairman.

Section 8.4 Quorum

Subject to the provisions of Section 8.12, at any meeting of the Noteholders a quorum shall consist of Noteholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Notes. If a quorum of the Noteholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Noteholders or pursuant to a request of the Noteholders, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place to the extent possible and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Noteholders present in person or by proxy representing 25% of the principal amount of the outstanding Notes shall form a quorum and may transact the business for which the meeting was originally convened. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum is present at the commencement of business.

Section 8.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Noteholders is present may, with the consent of the holders of a majority in principal amount of the Notes represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

Section 8.6 Show of Hands

Every question submitted to a meeting shall, subject to Section 8.7, be decided in the first place by a majority of the votes given on a show of hands except that votes on Extraordinary Resolutions shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Notes, if any, held by him.

Section 8.7 Poll

On every Extraordinary Resolution, and on any other question submitted to a meeting when demanded by the chairman or by one or more Noteholders or proxies for Noteholders, a poll shall be taken in such manner and either at once or after an adjournment as the chairman shall direct. Questions other than Extraordinary Resolutions shall, if a poll be taken, be decided by the votes of the holders of a majority in principal amount of the Notes represented at the meeting and voted on the poll.

Section 8.8 Voting

On a show of hands every person who is present and entitled to vote, whether as a Noteholder or as proxy for one or more Noteholders or both, shall have one vote. On a poll each Noteholder present in person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each $1,000 principal amount of Notes of which he shall then be the holder. A proxy need not be a Noteholder. In the case of joint holders of a Note, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others but in case more than one of them be present in person or by proxy, they shall vote together in respect of the Notes of which they are joint holders.

Section 8.9 Proxies

A Noteholder may be present and vote at any meeting of Noteholders by an authorized representative. The Corporation (in case it convenes the meeting) or the Trustee (in any other case) for the purpose of enabling the Noteholders to be present and vote at any meeting without producing their Notes, and of enabling them to be present and vote at any such meeting by proxy and of lodging instruments appointing such proxies at some place other than the place where the meeting is to be held, may from time to time make and vary such regulations as it shall think fit providing for and governing any or all of the following matters:

(a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any person signing on behalf of a Noteholder;

(b) the deposit of instruments appointing proxies at such place as the Trustee, the Corporation or the Noteholder convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same must be deposited; and

(c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed, or sent by other electronic means before the meeting to the Corporation or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as the holders of any Notes, or as entitled to vote or be present at the meeting in respect thereof, shall be Noteholders and persons whom Noteholders have by instrument in writing duly appointed as their proxies.

Section 8.10 Persons Entitled to Attend Meetings

The Corporation and the Trustee, by their respective employees, officers and directors, the Auditors of the Corporation and the legal advisors of the Corporation, the Trustee or any Noteholder may attend any meeting of the Noteholders, but shall have no vote as such.

Section 8.11 Powers Exercisable by Extraordinary Resolution

(1) In addition to the powers conferred upon them by any other provisions of this Indenture or by law, a meeting of the Noteholders shall have the following powers exercisable from time to time by Extraordinary Resolution (subject in the case of the matters in paragraphs (a)– (d) and (l) to the prior approval of the Neo Exchange (or any other applicable stock exchange on which the Corporation's shares are listed for trading) if applicable):

(a) power to authorize the Trustee to grant extensions of time for payment of the Principal Amount and any premium or interest on the Notes, whether or not the Principal Amount, premium, or interest, the payment of which is extended, is at the time due or overdue;

(b) power to sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Noteholders or the Trustee (with its consent) against the Corporation, or against its property, whether such rights arise under this Indenture or the Notes;

(c) power to assent to any modification of or change in or addition to or omission from the provisions contained in this Indenture or any Note which shall be agreed to by the Corporation and to authorize the Trustee to concur in and execute any indenture supplemental hereto embodying any modification, change, addition or omission;

(d) power to sanction any scheme for the reconstruction, reorganization or recapitalization of the Corporation or for the consolidation, amalgamation, arrangement, combination or merger of the Corporation with any other Person or for the sale, leasing, transfer or other disposition of all or substantially all of the undertaking, property and assets of the Corporation or any part thereof (unless otherwise permitted by this Indenture);

(e) power to direct or authorize the Trustee to exercise any power, right, remedy or authority given to it by this Indenture or any Note in any manner specified in any such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;

(f) power to waive, and direct the Trustee to waive, any default hereunder and/or cancel any declaration made by the Trustee pursuant to Section 6.1 either unconditionally or upon any condition specified in such Extraordinary Resolution;

(g) power to restrain any Noteholder from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the Principal Amount, premium or interest on the Notes, or for the execution of any trust or power hereunder;

(h) power to direct any Noteholder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same upon payment, if the taking of such suit, action or proceeding shall have been permitted by Section 6.5, of the costs, charges and expenses reasonably and properly incurred by such Noteholder in connection therewith;

(i) power to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation;

(j) power to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, and to direct the Trustee to exercise, on behalf of the Noteholders, such of the powers of the Noteholders as are exercisable by Extraordinary Resolution or other resolution as shall be included in the resolution appointing the committee. The resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee. Such committee shall consist of such number of persons as shall be prescribed in the resolution appointing it and the members need not be themselves Noteholders. Every such committee may elect its chairman and may make regulations respecting its quorum, the calling of its meetings and the filling of vacancies occurring in its number and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Noteholders. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith;

(k) power to remove the Trustee from office and to appoint a new Trustee or Trustees provided that no such removal shall be effective unless and until a new Trustee or Trustees shall have become bound by this Indenture;

(l) power to sanction the exchange of the Notes for or the conversion thereof into shares, bonds, Notes or other securities or obligations of the Corporation or of any other Person formed or to be formed;

(m) power to authorize the distribution in specie of any shares or securities received pursuant to a transaction authorized under the provisions of Section 8.11(1); and

(n) power to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Noteholders or by any committee appointed pursuant to Section 8.11(1)(j).

Section 8.12 Meaning of "Extraordinary Resolution"

(1) The expression "**Extraordinary Resolution**" when used in this Indenture means, subject as hereinafter in this Article provided, a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Noteholders (including an adjourned meeting) duly convened for the purpose and held in accordance with the provisions of this Article at which the holders of not less than 25% of the principal amount of the Notes then outstanding, are present in person or by proxy and passed by the favourable votes of the holders of not less than 662/3% of the principal amount of the Notes, present or represented by proxy at the meeting and voted upon on a poll on such resolution.

(2) If, at any such meeting, the holders of not less than 25% of the principal amount of the Notes then outstanding are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Noteholders, shall be dissolved but in any other case it shall stand adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 10 days' notice shall be given of the time and place of such adjourned meeting in the manner provided in Section 9.2. At the adjourned meeting, the holders present in person or by proxy representing not less than 25% of the principal amount of the Notes then outstanding shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed thereat by the affirmative vote of holders of not less than 66⅔% of the principal amount of the Notes, present or represented by proxy at the meeting and voted upon on a poll shall be an Extraordinary Resolution within the meaning of this Indenture.

(3) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

Section 8.13 Powers Cumulative

Any one or more of the powers in this Indenture stated to be exercisable by the Noteholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Noteholders to exercise the same or any other such power or powers thereafter from time to time.

Section 8.14 Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee, and any such minutes as aforesaid, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had, or by the chairman of the next succeeding meeting of the Noteholders, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

Section 8.15 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Noteholders at a meeting held as hereinbefore in this Article provided may also be taken and exercised by the holders of 66⅔% of the principal amount of all the outstanding Notes by an instrument in writing signed in one or more counterparts and the expression "Extraordinary Resolution" when used in this Indenture shall include an instrument so signed.

Section 8.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article at a meeting of Noteholders shall be binding upon all the Noteholders, whether present at or absent from such meeting, and every instrument in writing signed by Noteholders in accordance with Section 8.15 shall be binding upon all the Noteholders, whether signatories thereto or not, and each and every Noteholder and the Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

Section 8.17 Evidence of Rights Of Noteholders

(1) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Noteholders may be in any number of concurrent instruments of similar tenor signed or executed by such Noteholders.

(2) The Trustee may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

ARTICLE 9 – NOTICES

Section 9.1 Notice to Corporation

Any notice to the Corporation under the provisions of this Indenture shall be valid and effective if delivered to the Corporation at: 680 Fifth Ave., 24th Floor, New York, New York, 10019, Attention: Mary-Alice Miller, Chief Risk Officer & General Counsel, if given by registered letter, postage prepaid, to such offices and so addressed and if mailed, shall be deemed to have been effectively given three days following the mailing thereof, or if given by electronic mail to mmiller@col-care.com shall be deemed to have been effectively given upon transmission. The Corporation may from time to time notify the Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Corporation for all purposes of this Indenture.

Section 9.2 Notice to Noteholders

(1) All notices to be given hereunder with respect to the Notes shall be deemed to be validly given to the holders thereof if sent by electronic communication addressed to such holder, first class mail, postage prepaid, by letter or circular addressed to such holders at their post office addresses appearing in any of the registers hereinbefore mentioned and shall be deemed to have been effectively given three days following the day of mailing. Accidental error or omission in giving notice or accidental failure to mail notice to any Noteholder or the inability of the Corporation to give or mail any notice due to anything beyond the reasonable control of the Corporation shall not invalidate any action or proceeding founded thereon.

(2) If any notice given in accordance with the foregoing paragraph would be unlikely to reach the Noteholders to whom it is addressed in the ordinary course of post by reason of an interruption in mail service, whether at the place of dispatch or receipt or both, the Corporation shall give such notice by publication at least once in the city of Toronto (or in such of those cities as, in the opinion of the Trustee, is sufficient in the particular circumstances), each such publication to be made in a daily newspaper of general circulation in the designated city.

(3) Any notice given to Noteholders by publication shall be deemed to have been given on the day on which publication shall have been effected at least once in each of the newspapers in which publication was required.

(4) All notices with respect to any Note may be given to whichever one of the holders thereof (if more than one) is named first in the registers hereinbefore mentioned, and any notice so given shall be sufficient notice to all holders of any persons interested in such Note.

Section 9.3 Notice to Trustee

Any notice to the Trustee under the provisions of this Indenture shall be valid and effective if delivered, receipt confirmed, to the Trustee at its principal office in the Stock Exchange United Kingdom Building, 1230, 5th Avenue SW, Calgary, Alberta, T2P 3C4, Attention: VP, Corporate Trust and shall be deemed to have been effectively given as of the date of such receipt confirmation, if given by registered letter, postage prepaid, to such office and so addressed and, if mailed, shall be deemed to have been effectively given three days following the mailing thereof, or if given by facsimile transmission to the Trustee at 800.517.4553, Attention: VP, Corporate Trust shall be deemed to have been effectively given upon transmission.

Section 9.4 Mail Service Interruption

If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Trustee would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to Section 9.3, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Section 9.3.

ARTICLE 10 – CONCERNING THE TRUSTEE

Section 10.1 No Conflict of Interest

The Trustee represents to the Corporation that, to the best of its knowledge, at the date of execution and delivery by it of this Indenture, there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder but, if, notwithstanding the provisions of this Section 10.1, such a material conflict of interest exists, or hereafter arises, the validity and enforceability of this Indenture, and the Notes issued hereunder, shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists or arises but the Trustee shall, within 30 days after ascertaining that it has a material conflict of interest, either eliminate such material conflict of interest or resign in the manner and with the effect specified in Section 10.2.

Section 10.2 Replacement of Trustee

(1) The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Corporation 90 days' notice in writing or such shorter notice as the Corporation may accept

as sufficient. In the event of any enactment or change of law or regulation, or interpretation or administration thereof, which in the opinion of the Trustee operates to prevent or restrict any of the parties to this Indenture from fulfilling any respective obligations under this Indenture, the Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving the Corporation 30 days' notice in writing or such shorter notice as the Corporation may find acceptable. If at any time a material conflict of interest exists in the Trustee's role as a fiduciary hereunder the Trustee shall, within 30 days after ascertaining that such a material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in this Section 10.2. The validity and enforceability of this Indenture and of the Notes issued hereunder shall not be affected in any manner whatsoever by reason only that such a material conflict of interest exists. In the event of the Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new Trustee unless a new Trustee has already been appointed by the Noteholders. Failing such appointment by the Corporation, the retiring Trustee or any Noteholder may apply to a Judge of the British Columbia Supreme Court, on such notice as such Judge may direct at the Corporation's expense, for the appointment of a new Trustee but any new Trustee so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Noteholders and the appointment of such new Trustee shall be effective only upon such new Trustee becoming bound by this Indenture. On any new appointment the new Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee.

(2) Any company into which the Trustee may be merged or, with or to which it may be consolidated, amalgamated or sold, or any company resulting from any merger, consolidation, sale or amalgamation to which the Trustee shall be a party, or any company which shall purchase all or substantially all of the corporate trust book of business of the Trustee, shall be the successor trustee under this Indenture without the execution of any instrument or any further act. Nevertheless, upon the written request of the successor Trustee or of the Corporation, the Trustee ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee so ceasing to act, and, shall duly assign, transfer and deliver all property and money held by such Trustee to the successor Trustee so appointed in its place. Should any deed, conveyance or instrument in writing from the Corporation be required by any new Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new Trustee, be made, executed, acknowledged and delivered by the Corporation.

Section 10.3 Duties of Trustee

In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Trustee shall act honestly and in good faith and exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

Section 10.4 Reliance Upon Declarations, Opinions, etc.

In the exercise of its rights, duties and obligations hereunder the Trustee may, if acting in good faith, rely, as to the truth of the statements and accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this Indenture or required by the Trustee to be furnished to it in the exercise of its rights and duties hereunder, if the Trustee examines such statutory declarations, opinions, reports or certificates and determines that they comply with Section 10.5, if applicable, and with any other applicable requirements of this Indenture. The Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Without restricting the foregoing, the Trustee may rely on an opinion of Counsel satisfactory to the Trustee notwithstanding that it is delivered by a solicitor or firm which acts as solicitors for the Corporation.

Section 10.5 Evidence and Authority to Trustee, Opinions, etc.

(1) The Corporation shall furnish to the Trustee evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Corporation or the Trustee under this Indenture or as a result of any obligation imposed under this Indenture, including without limitation, the certification and delivery of Notes hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Trustee at the request of or on the application of the Corporation, forthwith if and when (a) such evidence is required by any other Section of this Indenture to be furnished to the Trustee in accordance with the terms of this Section 10.5, or (b) the Trustee, in the exercise of its rights and duties under this Indenture, gives the Corporation written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice.

(2) Such evidence shall consist of

(a) a certificate made by any one officer or director of the Corporation, stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;

(b) in the case of a condition precedent compliance with which is, by the terms of this Indenture, made subject to review or examination by a solicitor, an opinion of Counsel that such condition precedent has been complied with in accordance with the terms of this Indenture; and

(c) in the case of any such condition precedent compliance with which is subject to review or examination by auditors or accountants, an opinion or report of the Auditors of the Corporation whom the Trustee for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.

(3) Whenever such evidence relates to a matter other than the certificates and delivery of Notes and the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other Person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a trustee, officer or employee of the Corporation it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with the immediately preceding paragraph of this Section.

(4) Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in this Indenture shall include (a) a statement by the person giving the evidence that he has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (b) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based, (c) a statement that, in the belief of the person giving such evidence, he has made such examination or investigation as is necessary to enable him to make the statements or give the opinions contained or expressed therein, and (d) a statement whether in the opinion of such person the conditions precedent in question have been complied with or satisfied.

(5) The Corporation shall furnish or cause to be furnished to the Trustee at any time if the Trustee reasonably so requires, its certificate that it has complied with all covenants, conditions or other

requirements contained in this Indenture, the non-compliance with which would, with the giving of notice or the lapse of time, or both, or otherwise, constitute an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. The Corporation shall, whenever the Trustee so requires, furnish the Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Trustee as to any action or step required or permitted to be taken by the Corporation or as a result of any obligation imposed by this Indenture.

Section 10.6 Officer's Certificates Evidence

Except as otherwise specifically provided or prescribed by this Indenture, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, the Trustee, if acting in good faith, may rely upon an Officer's Certificate.

Section 10.7 Experts, Advisers and Agents

The Trustee may:

(a) employ or retain and act and rely on the opinion or advice of or information obtained from any solicitor, auditor, valuer, engineer, surveyor, appraiser or other expert, whether obtained by the Trustee or by the Corporation, or otherwise, and shall not be liable for acting, or refusing to act, in good faith on any such opinion or advice and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid. The reasonable costs of such services shall be added to and become part of the Trustee's remuneration hereunder; and

(b) employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and any solicitors employed or consulted by the Trustee may, but need not be, solicitors for the Corporation.

Section 10.8 Trustee May Deal in Notes

Subject to Sections 10.1 and 10.3, the Trustee may, in its personal or other capacity, buy, sell, lend upon and deal in the Notes and generally contract and enter into financial transactions with the Corporation or otherwise, without being liable to account for any profits made thereby.

Section 10.9 Investment of Monies Held by Trustee

Until released in accordance with this Indenture, monies held by Trustee shall be kept segregated in the records of the Trustee and shall be deposited in one or more interest-bearing trust accounts to be maintained by the Trustee in the name of the Trustee at one or more banks having a Standard and Poors Issuer Credit rating of AA- or above (an "**Approved Bank**"). All amounts held by the Trustee pursuant to this Indenture shall be held by the Trustee pursuant to the term of this Indenture and shall not give rise to a debtor-creditor or other similar relationship. The amounts held by the Trustee pursuant to this Indenture are at the sole risk of Corporation and, without limiting the generality of the foregoing, the Trustee shall have

no responsibility or liability for any diminution of the monies which may result from any deposit made with an Approved Bank pursuant to this Section 10.9, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default) and any credit or other losses on any deposit liquidated or sold prior to maturity. The parties hereto acknowledge and agree that the Trustee will have acted prudently in depositing the monies at any Approved Bank,

Section 10.10 Trustee Not Ordinarily Bound

Except as provided in Section 6.2 and as otherwise specifically provided herein, the Trustee shall not, subject to Section 10.3, be bound to give notice to any person of the execution hereof, nor to do, observe or perform, or see to the observance or performance by the Corporation of, any of the obligations herein imposed upon the Corporation or the covenants on the part of the Corporation herein contained, nor in any way to supervise or interfere with the conduct of the Corporation's business, unless the Trustee shall have been required to do so in writing by the holders of not less than 25% of the aggregate principal amount of the Notes then outstanding or by any Extraordinary Resolution of the Noteholders passed in accordance with the provisions contained in Article 8, and then only after it shall have been funded and indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

Section 10.11 Trustee Not Required to Give Security

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

Section 10.12 Trustee Not Bound to Act on Corporation's Request

Except as otherwise specifically provided in this Indenture, the Trustee shall not be bound to act in accordance with any direction or request of the Corporation until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

Section 10.13 Conditions Precedent to Trustee's Obligations to Act Hereunder

(1) The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Trustee and of the Noteholders hereunder shall be conditional upon the Noteholders furnishing when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. Notwithstanding the foregoing, the Noteholders consent to the Trustee executing any waiver, estoppel letter or subordination agreement as advised by Counsel is required to be executed in connection with the Permitted Equipment Financing, without the further notice or consent of any Noteholder.

(2) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

(3) The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding require the Noteholders at whose instance it is acting to deposit with the Trustee the Notes held by them for which Notes the Trustee shall issue receipts.

Section 10.14 Authority to Carry on Business

The Trustee represents to the Corporation that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business required of it as Trustee in the Provinces of Alberta and British Columbia but if, notwithstanding the provisions of this Section 10.14, it ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the securities issued hereunder shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 90 days after ceasing to be authorized to carry on the business required of it as Trustee in any of the provinces or territories of Canada, either become so authorized or resign in the manner and with the effect specified in Section 10.2.

Section 10.15 Compensation and Indemnity

(1) The Corporation shall pay to the Trustee, from time to time, compensation for its services hereunder as agreed separately by the Corporation and the Trustee, and shall pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of its duties under this Indenture (including the reasonable and documented compensation and disbursements of its Counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Trustee under this Indenture shall be finally and fully performed. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust.

(2) The Corporation hereby indemnifies and holds the Trustee and its affiliates, their successors and assigns, as well as its and their respective directors, officers, employees and agents, harmless from and against any and all claims, demands, assessments, interest, penalties, actions, suits, proceedings, liabilities, losses, damages, costs and expenses, including, without limiting the foregoing, expert, consultant and counsel fees and disbursements on a solicitor and client basis (collectively, "**Liabilities**"), arising from or in connection with any actions or omissions that the Trustee or they take pursuant to this Indenture, provided that the Corporation need not reimburse any cost or expense or indemnify against any loss or liability incurred by the Trustee through gross negligence or bad faith or breach of the Trustee's duties hereunder. The Corporation also hereby indemnifies and holds the Trustee and its affiliates, their successors and assigns, as well as its and their respective directors, officers, employees and agents, harmless from and against any and all Liabilities arising from or in connection with any enactment or change of law or regulation, or interpretation or administration thereof. Without limiting the generality of the foregoing, the obligation to indemnify, defend and save harmless in accordance herewith shall apply in respect of Liabilities suffered by, imposed upon, incurred in any way connected with or arising from, directly or indirectly, any Applicable Laws. This indemnity shall survive the resignation or removal of the Trustee and the termination or discharge of this Indenture.

(3) Notwithstanding any other provision of this Indenture, the Trustee shall not be liable for any (i) breach by any other party of the Applicable Securities Legislation, (ii) lost profits or (iii) punitive, consequential or special damages of any Person.

(4) The Trustee shall notify the Corporation promptly of any claim for which it may seek indemnity. The Corporation shall defend the claim and the Trustee shall co-operate in the defence. The Trustee may have separate Counsel and the Corporation shall pay the reasonable fees and expenses of such Counsel. The Corporation need not pay for any settlement made without its consent, which consent must not be unreasonably withheld.

Section 10.16 Acceptance of Trust

The Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various persons who shall, from time to time, be Noteholders, subject to all the terms and conditions herein set forth.

Section 10.17 Third Party Interests

Each party to this Indenture (in this paragraph referred to as a "**representing party**") hereby represents to the Trustee that any account to be opened by, or interest to be held by, the Trustee in connection with this Indenture, for or to the credit of such representing party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such representing party hereby agrees to complete, execute and deliver forthwith to the Trustee a declaration, in the Trustee's prescribed form or in such other form as may be satisfactory to it, as to the particulars of such third party.

Section 10.18 Anti-Money Laundering

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment, acting reasonably, determines that such act might cause it to be in noncompliance with any applicable anti-money laundering or anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on 10 days' prior written notice sent to the Corporation provided that (i) the Trustee's written notice shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Trustee's satisfaction within such 10-day period, then such resignation shall not be effective.

Section 10.19 Privacy Laws

(1) The parties acknowledge that federal and provincial legislation that addresses the protection of individuals' personal information (collectively, the "**Privacy Laws**") applies to obligations and activities under this Indenture. Despite any other provision of this Indenture, neither the Corporation nor the Trustee shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws.

(2) The Corporation shall, prior to transferring or causing to be transferred personal information to the Trustee, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws.

(3) The Trustee shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Trustee agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under

or ancillary to this Indenture and not to use it for any other purpose except with the consent of or direction from the Corporation or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

ARTICLE 11 – SUPPLEMENTAL INDENTURES

Section 11.1 Supplemental Indentures

From time to time the Trustee and, when authorized by a resolution of the Board of Directors of Corporation, the Corporation, may, and they shall when required by this Indenture, execute, acknowledge and deliver by their proper officers deeds or indentures supplemental hereto which thereafter shall form part hereof, for any one or more of the following purposes:

(a) adding to the covenants of the Corporation herein contained for the protection of the Noteholders or providing for events of default, in addition to those herein specified;

(b) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Notes which do not affect the substance thereof and which in the opinion of the Trustee relying on the advice of Counsel will not be prejudicial to the interests of the Noteholders;

(c) correcting or rectifying any ambiguities, defective provisions, errors or omissions herein, provided that in the opinion of the Trustee, in reliance upon the advice of Counsel, the rights of the Trustee and the Noteholders are in no way materially prejudiced thereby;

(d) evidencing the succession, or successive successions, of others to the Corporation and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture;

(e) giving effect to any Extraordinary Resolution passed as provided in Article 8; and

(f) for any other purpose not inconsistent with the terms of this Indenture.

Unless the supplemental indenture requires the consent or concurrence of Noteholders by Extraordinary Resolution, the consent or concurrence of Noteholders shall not be required in connection with the execution, acknowledgement or delivery of a supplemental indenture. Further, the Corporation and the Trustee may without the consent or concurrence of the Noteholders by supplemental indenture or otherwise, make any changes or corrections in this Indenture which it shall have been advised by Counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained herein or in any indenture supplemental hereto or any Written Direction of the Corporation provided for the issue of Notes, providing that in the opinion of the Trustee (relying upon an opinion of Counsel) the rights of the Noteholders are in no way prejudiced thereby.

ARTICLE 12 - EXECUTION AND FORMAL DATE

Section 12.1 Execution

This Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

Section 12.2 Formal Date

For the purpose of convenience this Indenture may be referred to as bearing the formal date of March 31, 2020 irrespective of the actual date of execution hereof.

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The parties have executed this Indenture.

COLUMBIA CARE INC.

By: /s/ Michael Abbott
Name: Michael Abbott
Title: Executive Chairman

ODYSSEY TRUST COMPANY

By: _____
Name:
Title:

By: _____
Name:
Title:

The parties have executed this Indenture.

COLUMBIA CARE INC.

By: _____
Name:
Title:

ODYSSEY TRUST COMPANY

By: /s/ Dan Sander
Name: Dan Sander
Title: VP, Corporate Trust

By: /s/ Amy Douglas
Name: Amy Douglas
Title: Director, Corporate Trust

Schedule A – Form of Note

[NOTE LEGEND]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DISTRIBUTION DATE].

[U.S. LEGEND – TO BE INCLUDED ON ALL NOTES ISSUED TO U.S. NOTEHOLDERS PURSUANT TO SECTION 2.12 OF THE INDENTURE]

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH NOTES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "CORPORATION"), THAT SUCH NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ALL LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE, OR (II) RULE 144A, THEREUNDER, IF AVAILABLE, AND IN EACH CASE IS COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C)(I) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL, OF RECOGNIZED STANDING, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

CUSIP 197309AA5 [CAD] / 197309AB3 [US]
ISIN CA197309AA51 [CAD] / CA197309AB35 [US]

No. ● US$●

COLUMBIA CARE INC.

(A corporation existing under the laws of the Province of British Columbia)

9.875% SENIOR SECURED FIRST LIEN NOTES

DUE MARCH 30, 2024

COLUMBIA CARE INC. (the "**Corporation**") for value received hereby acknowledges itself indebted and, subject to the provisions of the Note Indenture (the "**Indenture**") dated as of March 31, 2020 between the Corporation and **ODYSSEY TRUST COMPANY** (the "**Trustee**"), promises to pay to _____, the registered holder hereof on March 30, 2024 or on such earlier date as the Principal Amount (as defined in the Indenture) may become due in accordance with the provisions of the Indenture (any such date, the "**Maturity Date**") the principal sum of ● Dollars (US$●) in lawful money of the United States on presentation and surrender of this Note at the main branch of the Trustee in Vancouver, British Columbia in accordance with the terms of the Indenture, and, subject as hereinafter provided, to pay interest on the Principal Amount hereof (i) from and including the date hereof, or (ii) from and including the last Interest Payment Date (as defined in the Indenture) to which interest shall have been paid or made available for payment hereon, whichever shall be the later, in all cases, to and excluding the next Interest Payment Date, at the rate of 9.875% per annum, in like money, calculated and payable semi-annually in arrears on March 31 and September 30 in each year commencing on September 30, 2020, and the last payment (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity Date) to fall due on the Maturity Date and, should the Corporation at any time make default in the payment of any principal or interest, to pay interest on the amount in default at a rate that is 2.25% higher than the applicable interest rate on the Notes, in like money and on the same dates.

The Notes shall bear interest from the date of issue at the rate of 9.875% per annum (based on a year of 365 days or 366, as applicable) and will be payable in equal semi-annual amounts; provided that for any Interest Period (as defined in the indenture) that is shorter than a full semi-annual interest period, interest shall be calculated on the basis of a year of 365 days or 366 days, as applicable, and the actual number of days elapsed in that period.

The Corporation shall have the right to redeem or repay any Note prior to the Maturity Date without any premium, penalty, bonus or other payment.

This Note is one of the 9.875% Notes of the Corporation issued under the provisions of the Indenture. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Notes are or are to be issued and held and the rights and remedies of the holders of the Notes and of the Corporation and of the Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Note by acceptance hereof assents.

If the date for payment of any amount of principal, premium or interest is not a Business Day (as defined in the Indenture) at the place of payment, then payment will be made on the next Business Day and the holder hereof will not be entitled to any further interest on such principal, or to any interest on such interest, premium or other amount so payable, in respect of the period from the date for payment to such next Business Day. Interest hereon shall be payable by cheque mailed by prepaid ordinary mail or by electronic transfer of funds to the registered holder hereof and, subject to the provisions of this Indenture, the mailing of such cheque or the electronic transfer of such funds shall, to the extent of the sum represented thereby (plus the amount of any Taxes deducted or withheld), satisfy and discharge all liability for interest on this Note.

The Notes are issuable only in denominations of US$1,000 and integral multiples thereof. Upon compliance with the provisions of the Indenture, Notes of any denomination may be exchanged for an equal aggregate principal amount of Notes in any other authorized denomination or denominations.

Notwithstanding anything to the contrary in this Note, to the extent required by applicable law (as determined in all respects by the Company), payments under this Note will be subject to withholding on

account of any present or future tax, duty, assessment or governmental charge imposed upon or as a result of such payments, and no additional amounts shall be paid by the Company to the registered holder in respect of any such withheld amounts. The registered holder hereby acknowledges and accepts that (i) the registered holder is not relying on the Company (or any representative of the Company) for any tax advice relating to the acquisition, ownership or disposition of this Note, including, without limitation, in any jurisdiction in which the registered holder may be subject to any taxes, (ii) payments under this Note may be subject to withholding by the Company, (iii) the Company has not guaranteed to the registered older a net rate of return to the registered older after the imposition of any present or future tax, duty, assessment or governmental charge imposed upon or as a result of any payments under this Note and will not gross up the interest rate or make any additional payments to the holder on account of any such tax, duty or charge, or otherwise, and (iv) the Company may set off and apply any amount otherwise payable to a registered holder under this Note to any liability of the Company for any past, present or future tax, duty, assessment or governmental charge imposed upon or as a result of any amount paid or payable to such registered holder under this Note.

The indebtedness evidenced by this Note, and by all other Notes now or hereafter certified and delivered under the Indenture, is a direct secured obligation of the Corporation.

These Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. The Notes may only be offered and sold pursuant to an exemption from the registration requirements of the U.S. Securities Act or pursuant to an available exemption from such registration requirements.

The Indenture contains provisions making binding upon all holders of Notes outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Notes outstanding, which resolutions or instruments may have the effect of amending the terms of this Note or the Indenture.

The Indenture contains provisions disclaiming any personal liability on the part of holders of shares of the Corporation and officers, directors and employees of the Corporation in respect of any obligation or claim arising out of the Indenture or this Note.

This Note may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal office of the Trustee in the City of Calgary, Alberta and in such other place or places and/or by such other registrars (if any) as the Corporation with the approval of the Trustee may designate. No transfer of this Note shall be valid unless made on the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe and upon surrender of this Note for cancellation. Thereupon a new Note or Notes in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Note shall not become obligatory for any purpose until it shall have been certified by the Trustee under the Indenture.

Capitalized words or expressions used in this Note shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture. In the event of any inconsistency between the terms of this Note and the Indenture, the terms of the Indenture shall govern.

IN WITNESS WHEREOF COLUMBIA CARE INC. has caused this Note to be signed by its authorized representatives as of _____, 20__.

COLUMBIA CARE INC.

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE

This Note is one of the 9.875% Notes due March 30, 2024 referred to in the Indenture within mentioned.

Dated: _____, 20__.

ODYSSEY TRUST COMPANY

By: _____
Authorized Signatory

FORM OF TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable, are set forth below, this Note (or US$____ principal amount hereof*) of **COLUMBIA CARE INC.** (the "**Corporation**") standing in the name(s) of the undersigned in the register maintained by the Corporation with respect to such Note and does hereby irrevocably authorize and direct the Trustee to transfer such Note in such register, with full power of substitution in the premises.

Dated: _____

Address of Transferee: _____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: _____

* If less than the full principal amount of the within Note is to be transferred, indicate in the space provided the principal amount (which must be US$1,000 or an integral multiple thereof to be transferred.

1. In the case of a Restricted Uncertificated Note or a Restricted Physical Note, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

   ☐ (A) the transfer is being made to the Corporation;

   ☐ (B) the transfer is being made outside the United States in compliance with Rule 904 of Regulation S under the U.S. Securities Act in circumstances where Rule 905 of Regulation S does not apply, and in compliance with any applicable local securities laws and regulations, and the holder has provided herewith a certificate in the form of Schedule C to the Indenture, including the certifications in item 1 thereof,

   ☐ (C) the transfer is being made pursuant to the exemption from the registration requirements of the U.S. Securities Exchange Act provided by (i) Rule 144 under the U.S. Securities Act, if available, or (ii) Rule 144A under the U.S. Securities Act, if available, and in compliance with applicable state securities laws, or

   ☐ (D) the transfer is being made in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws.

2. In the case of a transfer in accordance with (C) or (D) above, the Trustee and the Corporation shall first have received an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation, to such effect.

3. The registered holder of this Note is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Note.

DATED this __ day of _____, 20__.

SPACE FOR GUARANTEES OF	)	
SIGNATURES (BELOW)	)	
.	)	_____
	)	Signature of Transferor
	)	
_____	)	_____
Guarantor's Signature/Stamp	)	Name of Transferor

REASON FOR TRANSFER – For US Citizens or Residents only (where the individual(s) or corporation receiving the securities is a US citizen or resident). Please select only one (see instructions below).

☐ **Gift** ☐ **Estate** ☐ **Private Sale** ☐ **Other (or no change in ownership)**

Date of Event (Date of gift, death or sale):

☐☐/☐☐/☐☐☐☐

Value per Debenture on the date of event:

$ ☐☐☐.☐☐ ☐ **CAD OR** ☐ **USD**

CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then-current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.
- **Canada:** A Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.

- **Outside North America:** For holders located outside North America, present the certificates(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

OR

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”, “MEDALLION GUARANTEED” OR “SIGNATURE & AUTHORITY TO SIGN GUARANTEE”, all in accordance with the transfer agent’s then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer with a “MEDALLION GUARANTEED” Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

REASON FOR TRANSFER – FOR US CITIZENS OR RESIDENTS ONLY

Consistent with U.S. IRS regulations, Odyssey Trust Company is required to request cost basis information from U.S. securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized but, rather, the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

Schedule B - Form of Certificate of Transfer

COLUMBIA CARE INC.
680 Fifth Ave., 24th Floor
New York, New York, 10019
Attention: Nicholas Vita, Chief Executive Officer

ODYSSEY TRUST COMPANY
Stock Exchange Building
1230-300 5th Avenue SW
Calgary, Alberta, T2P 3C4
Attention: Corporate Trust

Re: Transfer of Notes

Reference is hereby made to the Indenture, dated as of March 31, 2020 (the "**Indenture**"), between **COLUMBIA CARE INC.**, as issuer (the "**Corporation**"), and **ODYSSEY TRUST COMPANY** as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "**Transferor**") owns and proposes to transfer the Notes or interests in such Notes specified in Annex A hereto, in the principal amount of US$ (the "**Transfer**"), to (the "**Transferee**"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that

[CHECK ALL THAT APPLY]

1. ☐ Check if transfer of an interest of a Restricted Physical Note or a Restricted Uncertificated Note for an interest in an Unrestricted Uncertificated Note or an Unrestricted Physical Note pursuant to Regulation S. The Transfer is being effected pursuant to and in compliance with Rule 904 of Regulation S under the U.S. Securities Act in circumstances where Rule 905 of Regulation S does not apply and, accordingly, the Transferor hereby further certifies that (i) the Transferor is not (a) an "affiliate" (as that term is defined in Rule 405 under the U.S. Securities Act) of the Corporation, except solely by virtue of being an officer or director of the Corporation, (b) a "distributor" or (c) an affiliate of a distributor; (ii) the offer was not made, and the Transfer is not being made, to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market" and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (iii) neither the Transferor nor any affiliate of the Transferor nor any Person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the Transfer, (iv) the Transfer is *bona fide* and not for the purpose of "washing off' the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act), (v) the Transferor does not intend to replace such securities with fungible unrestricted securities and (vi) the transaction is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act. Terms used in this section have the meaning given to them by Regulation S under the U.S. Securities Act.

2. ☐ **Check if transfer of an interest of a Restricted Physical Note or a Restricted Uncertificated Note for an interest in an Unrestricted Uncertificated Note or an Unrestricted Physical Note other than pursuant to Regulation S.** (i) The Transfer is being effected pursuant to and in accordance with an available exemption from the registration requirements of the U.S. Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States, (ii) the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the beneficial interest of the Transferor in order to maintain compliance with the U.S. Securities Act and applicable state securities laws and (iii) an opinion of counsel of recognised standing, in form and substance reasonably satisfactory to the Corporation, has been delivered to the Corporation to the foregoing effect that such transfer is in compliance with the U.S. Securities Act and all applicable state securities laws.

3. ☐ **Check if transfer of an interest of a Unrestricted Physical Note or a Unrestricted Uncertificated Note for an interest in an Unrestricted Uncertificated Note or an Unrestricted Physical Note pursuant to Regulation S.** The Transfer is being effected pursuant to and in compliance with Rule 904 of Regulation S under the U.S. Securities Act.

In connection with requests for transfers pursuant to item 2, the Transferor must deliver to the Trustee an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

This certificate and the statements contained herein are made for your benefit and the benefit of the Corporation.

_____
[Insert Name of Transferor]

By: _____
Name: ●
Title: ●

Dated:

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b) OR (c) OR (d)]

(a) ☐ a Restricted Uncertificated Note CUSIP

(b) ☐ an Unrestricted Uncertificated Note CUSIP

(c) ☐ a Restricted Physical Note

(d) ☐ an Unrestricted Physical Note

2. After the Transfer the Transferee will hold:

[CHECK ONE OF (a) OR (b) OR (c) OR (d)]

(a) ☐ a Restricted Uncertificated Note CUSIP

(b) ☐ an Unrestricted Uncertificated Note CUSIP

(c) ☐ a Restricted Physical Note

(d) ☐ an Unrestricted Physical Note

in accordance with the terms of the Indenture.

Schedule C – Form of Certificate of Exchange

COLUMBIA CARE INC.
680 Fifth Ave., 24th Floor
New York, New York, 10019

Attention: Nicholas Vita, Chief Executive Officer

ODYSSEY TRUST COMPANY
Stock Exchange Building
1230-300 5th Avenue SW
Calgary, Alberta, T2P 3C4
Attention: Corporate Trust

Re: Exchange of Notes

Reference is hereby made to the Indenture, dated as of March 31, 2020 (the "**Indenture**"), between **COLUMBIA CARE INC.**, as issuer (the "**Corporation**"), and **ODYSSEY TRUST COMPANY** as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "**Owner**") owns and proposes to exchange the Notes or interests in such Notes specified herein, in the principal amount of US$ (the "**Exchange**"). In connection with the Exchange, the Owner hereby certifies that:

1. Exchange of Restricted Physical Notes or Restricted Uncertificated Note for Unrestricted Physical Notes or Unrestricted Uncertificated Note

☐ **Check if Exchange is from Restricted Physical Note or Restricted Uncertificated Note to Unrestricted Physical Note or a Unrestricted Uncertificated Note.** In connection with the Owner's Exchange of a Restricted Physical Note or Restricted Uncertificated Note for an Unrestricted Physical Note or Unrestricted Uncertificated Note, the Owner hereby certifies (i) the Unrestricted Physical Note or a Unrestricted Uncertificated Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Physical Notes or Restricted Uncertificated Notes and pursuant to and in accordance with the U.S. Securities Act, (iii) the Owner has delivered an opinion of counsel of recognised standing, in form and substance reasonably satisfactory to the Corporation, to the effect that the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the Unrestricted Physical Note or Unrestricted Uncertificated Note of the Owner in order to maintain compliance with the U.S. Securities Act and (iv) the Unrestricted Physical Note or Unrestricted Uncertificated Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

In connection with requests for Exchanges pursuant to item 1, the Owner must deliver to the Trustee an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

This certificate and the statements contained herein are made for your benefit and the benefit of the Corporation.

[Insert Name of Transferor]

By: _____
Name: ●
Title: ●

Dated: _____

Schedule D – Existing Indebtedness

Nil

COLUMBIA CARE INC.

as the Corporation

and

ODYSSEY TRUST COMPANY

as the Warrant Agent

WARRANT INDENTURE
Providing for the Issue of Warrants

Dated as of March 31, 2020

TABLE OF CONTENTS

WARRANT INDENTURE

THIS WARRANT INDENTURE is dated as of March 31, 2020.

BETWEEN:

COLUMBIA CARE INC., a corporation existing under the laws of the Province of British Columbia (the "**Corporation**"),

- and -

ODYSSEY TRUST COMPANY, a trust company incorporated under the laws of Alberta and registered to carry on business in the Provinces of British Columbia and Alberta (the "**Warrant Agent**")

WHEREAS, the Corporation intends to issue, by way of private placement in one or more tranches, units ("**Units**") of the Corporation, with each Unit being comprised of (i) US$1,000 principal amount of 9.875% notes of the Corporation and (ii) common share purchase warrants (the "**Warrants**");

AND WHEREAS, pursuant to this Indenture, each Warrant shall, subject to adjustment as described herein, entitle the holder thereof to acquire one (1) common share (the "**Common Shares**") of the Corporation upon payment of the Exercise Price (as defined herein) prior to the Expiry Time, upon the terms and conditions herein set forth;

AND WHEREAS, all acts and deeds necessary have been done and performed to make the Warrants, when created and issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture;

AND WHEREAS, the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Warrant Agent.

NOW THEREFORE, in consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby appoints the Warrant Agent as warrant agent to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become the holders of Warrants issued pursuant to this Indenture and the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions.

In this Indenture, including the recitals and schedules hereto, and in all indentures supplemental hereto:

"**Adjustment Period**" means the period from the Effective Date up to and including the Expiry Time;

"**Applicable Legislation**" means any statute of Canada or a province thereof, and the regulations under any such named or other statute, relating to warrant indentures or to the rights, duties and obligations of warrant agents under warrant indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

"**Applicable Securities Legislation**" means applicable securities laws (including rules, regulations, policies and instruments) in each of the applicable provinces and territories of Canada;

"**Auditors**" means Davidson & Company LLP or such other firm of chartered professional accountants duly appointed as auditors of the Corporation, from time to time;

"**Authenticated**" means (a) with respect to the issuance of a Warrant Certificate, one which has been duly signed by the Corporation and authenticated by manual signature of an authorized signatory of the Warrant Agent, and (b) with respect to the issuance of an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant as required by Section 2.7 are entered in the register of holders of Warrants, "**Authenticate**", "**Authenticating**" and "**Authentication**" have the appropriate correlative meanings;

"**beneficial owner**" means a person that has a beneficial interest in a Warrant;

"**Book Entry Only Participants**" or "**Participants**" means institutions that participate directly or indirectly in the Depository's book entry registration system for the Warrants;

"**Book Entry Only Warrants**" means Warrants that are to be held only by or on behalf of the Depository;

"**Business Day**" means any day other than Saturday, Sunday or a statutory or civic holiday, or any other day on which banks are not open for business in the City of Vancouver, Province of British Columbia, and shall be a day on which the NEO is open for trading;

"**CDS Global Warrants**" means Warrants representing all or a portion of the aggregate number of Warrants issued in the name of the Depository represented by an Uncertificated Warrant, or if requested by the Depository or the Corporation, by a Warrant Certificate;

"**Certificated Warrant**" means a Warrant evidenced by a writing or writings substantially in the form of Schedule "A", attached hereto;

"**Common Shares**" means, subject to Article 4, fully paid and non-assessable common shares in the capital of the Corporation as presently constituted;

"**Confirmation**" has the meaning ascribed thereto in Section 3.2(d) of this Indenture;

"**Corporation**" means Columbia Care Inc. or any successor entity thereto;

"**Counsel**" means a barrister and/or solicitor or a firm of barristers and/or solicitors retained by the Warrant Agent or retained by the Corporation and acceptable to the Warrant Agent, which may or may not be counsel for the Corporation;

"**Current Market Price**" of the Common Shares at any date means the volume weighted average of the trading price per Common Share for such Common Shares for each day there was a closing price for the twenty (20) consecutive Trading Days ending five (5) days prior to such date on the NEO or if on such date the Common Shares are not listed on the NEO, on such stock exchange upon which such Common Shares are listed and as selected by the directors of the Corporation, or, if such Common Shares are not listed on any stock exchange then on such over-the-counter market as may be selected for such purpose by the directors of the Corporation;

"**Depository**" means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Corporation to act as depository in respect of the Warrants;

"**Dividends**" means any dividends paid by the Corporation on its Common Shares;

"**DRS**" means the Direct Registration System maintained by the Warrant Agent, in the case of the Warrants, or the Corporation's transfer agent, in the case the of the Common Shares;

"**DRS Advice**" means the notification produced by the DRS system evidencing ownership of the Warrants or Common Shares, as the case may be;

"**Effective Date**" means the date of this Indenture;

"**Exchange Rate**" means the number of Common Shares subject to the right of purchase under each Warrant which as of the date hereof is one;

"**Exercise Date**" means, in relation to a Warrant, the Business Day on which such Warrant is validly exercised or deemed to be validly exercised in accordance with Article 3 hereof;

"**Exercise Notice**" has the meaning set forth in Section 3.2(a);

"**Exercise Price**" at any time means the price at which a whole Common Share may be purchased by the exercise of a whole Warrant, which is initially CDN$3.10 per Common Share, payable in immediately available funds, subject to adjustment in accordance with the provisions of Section 4.1;

"**Expiry Date**" means the date that is three (3) years after the Issue Date;

"**Expiry Time**" means 5:00 p.m. (Vancouver Time) on the Expiry Date;

"**Extraordinary Resolution**" has the meaning set forth in Section 7.11(a) of this Indenture;

"**Indemnified Parties**" has the meaning ascribed thereto in Section 9.7(e) of this Indenture;

"**Internal Procedures**" means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership), the

minimum number of the Warrant Agent's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Warrant Agent, it being understood that neither preparation nor issuance shall constitute part of such procedures for any purpose of this definition;

"**Issue Date**" means the closing date of the applicable tranche of the Offering;

"**NEO**" means the Neo Exchange Inc., or such other Canadian stock exchange on which the Common Shares are listed for trading from time to time;

"**Offering**" has the meaning ascribed thereto in the recitals to this Indenture;

"**Original U.S. Warrantholder**" means a U.S. Warrantholder that is (i) a Qualified Institutional Buyer and the original purchaser of the Warrants and who delivered a properly executed U.S. QIB Agreement attached as Annex 2 to Schedule E to the U.S. subscription agreement between each Qualified Institutional Buyer and the Corporation in connection with its purchase of Units pursuant to the Offering, or (ii) a U.S. Accredited Investor and the original purchaser of the Warrants and who delivered a properly executed U.S. Accredited Investor Agreement attached as Exhibit Annex 1 to Schedule E to the U.S. subscription agreement between each U.S. Accredited Investor and the Corporation in connection with its purchase of Units pursuant to the Offering;

"**person**" means an individual, body corporate, partnership, limited liability company, trust, warrant agent, executor, administrator, legal representative or any unincorporated organization;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as such term is defined in Rule 144A under the U.S. Securities Act, that is also a U.S. Accredited Investor;

"**register**" means the one set of records and accounts maintained by the Warrant Agent pursuant to Section 2.9 of this Indenture;

"**Regulation D**" means Regulation D under the U.S. Securities Act;

"**Regulation S**" means Regulation S under the U.S. Securities Act;

"**SEC**" means the U.S. Securities and Exchange Commission;

"**Shareholders**" means holders of Common Shares;

"**successor entity**" has the meaning ascribed thereto in Section 8.2 of this Indenture;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder;

"**this Warrant Indenture**", "**this Indenture**", "**this Agreement**", "**hereto**" "**herein**", "**hereby**", "**hereof**" and similar expressions mean and refer to this Indenture and any indenture, deed or instrument supplemental hereto; and the expressions "**Article**", "**Section**", "**subsection**" and "**paragraph**" followed by a number, letter or both mean and refer to the specified article, section, subsection or paragraph of this Indenture;

"**Trading Day**" means, with respect to the NEO, a day on which such exchange is open for the transaction of business or, with respect to another exchange or an over-the-counter market, a day on which such exchange or market is open for the transaction of business;

"**U.S. Accredited Investor**" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Legend**" has the meaning set forth in Section 2.8(a);

"**U.S. Person**" has the meaning set forth in Rule 902(k) of Regulation S;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Warrantholder**" means any (a) Warrantholder that (i) is a U.S. Person, (ii) is in the United States, (iii) received an offer to acquire Warrants while in the United States, or (iv) was in the United States at the time such Warrantholder's buy order was made or such Warrantholder executed or delivered its purchase order for the Warrants or (b) person who acquired Warrants on behalf of, or for the account or benefit of, any U.S. Person or any person in the United States;

"**Uncertificated Warrant**" means any Warrant that is not a Certificated Warrant, including DRS Advices;

"**Units**" has the meaning set forth in the recitals;

"**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

"**Warrant Agency**" means the principal office of the Warrant Agent in the City of Vancouver, British Columbia or such other place as may be designated in accordance with Section 3.5;

"**Warrant Agent**" means Odyssey Trust Company, in its capacity as warrant agent of the Warrants, or its successors from time to time;

"**Warrant Certificate**" means a certificate, substantially in the form set forth in Schedule "A" hereto, to evidence those Warrants that will be evidenced by a certificate;

"**Warrant Shares**" means Common Shares issuable upon exercise of the Warrants;

"**Warrantholders**", or "**holders**" without reference to Warrants means the persons entered in the register hereinafter mentioned as holders of Warrants outstanding at such time;

"**Warrantholders' Request**" means an instrument signed in one or more counterparts by Warrantholders holding in the aggregate not less than 50% of the aggregate number of all Warrants then-unexercised and then-outstanding, requesting the Warrant Agent to take some action or proceeding specified therein;

"**Warrants**" means the Common Share purchase warrants created by and authorized by and issuable under this Indenture, to be issued and countersigned hereunder as a Certificated Warrant and/or Uncertificated Warrant evidenced by a DRS Advice or held through the book entry registration system on a no certificate issued basis, entitling the holder or holders thereof to purchase one (1) Common Share (subject to adjustment as herein provided) per Warrant at the Exercise Price prior to the Expiry Time and, where the context so requires, also means the Warrants issued and Authenticated hereunder, whether by way of Warrant Certificate or Uncertificated Warrant; and

"**written order of the Corporation**", "**written request of the Corporation**", "**written consent of the Corporation**" and "**certificate of the Corporation**" mean, respectively, a written order, request, consent and certificate signed in the name of the Corporation by any two duly authorized signatories of the Corporation and may consist of one or more instruments so executed.

1.2 Gender and Number.

Words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa.

1.3 Headings, Etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Warrants.

1.4 Day not a Business Day.

If any day on or before which any action or notice is required to be taken or given hereunder is not a Business Day, then such action or notice shall be required to be taken or given on or before the requisite time on the next succeeding day that is a Business Day.

1.5 Time of the Essence.

Time shall be of the essence of this Indenture.

1.6 Monetary References.

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed.

1.7 Applicable Law.

This Indenture, the Warrants, the Warrant Certificates (including all documents relating thereto, which by common accord have been and will be drafted in English) shall be construed in accordance with the laws of the Province of British Columbia and the federal laws applicable therein and shall be treated in all respects as British Columbia contracts. Each of the parties hereto, which shall include the Warrantholders, irrevocably attorns to the exclusive jurisdiction of the courts of the Province of British Columbia with respect to all matters arising out of this Indenture and the transactions contemplated herein.

ARTICLE 2
ISSUE OF WARRANTS

2.1 Creation and Issue of Warrants.

An unlimited number of Warrants (subject to adjustment as herein provided) are hereby created and authorized to be issued in accordance with the terms and conditions hereof. By written order of the Corporation, the Warrant Agent shall issue and deliver Warrant Certificates to Warrantholders, or no certificate for Uncertificated Warrants, and record the name of the Warrantholders on the Warrant register. Registration of interests in Warrants held by the Depository may be evidenced by a position appearing on the register for Warrants of the Warrant Agent for an amount representing the aggregate number of such Warrants outstanding from time to time.

2.2 Terms of Warrants.

(a) Subject to the applicable conditions for exercise set out in Article 3 having been satisfied and subject to adjustment in accordance with Section 4.1, each Warrant shall entitle each holder thereof, upon the exercise thereof at any time after the Issue Date and prior to the Expiry Time, to acquire one (1) Common Share upon payment to the Corporation of the Exercise Price.

(b) No fractional Warrants shall be issued or otherwise provided for hereunder and Warrants may only be exercised in a sufficient number to acquire whole numbers of Common Shares. Any fractional Warrants shall be rounded down to the nearest whole number.

(c) Each Warrant shall entitle the holder thereof to only such other rights and privileges as are set forth in this Indenture.

(d) The number of Common Shares that may be purchased pursuant to the Warrants, and the Exercise Price therefor, shall be adjusted upon the events and in the manner specified in Section 4.1.

2.3 Warrantholder not a Shareholder.

Except as may be specifically provided herein, nothing in this Indenture or in the holding of a Warrant Certificate, entitlement to a Warrant or otherwise, shall, in itself, confer or be construed as conferring upon a Warrantholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Corporation, or the right to Dividends and other allocations.

2.4 Warrants to Rank Pari Passu.

All Warrants shall rank equally and without preference over each other, whatever may be the actual date of issue thereof.

2.5 Form of Warrants, Certificated Warrants.

(a) The Warrants may be issued in both certificated and uncertificated form. Each Warrant issued to, or for the account for benefit of, a U.S. Warrantholder (other

than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), and each Warrant in exchange or substitution therefor, will be evidenced by a Warrant Certificate that bears the U.S. Legend. All Warrants issued in certificated form shall be evidenced by a Warrant Certificate (including all replacements issued in accordance with this Indenture), substantially in the form set out in Schedule "A" hereto, which shall be dated as of the Issue Date, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions; provided that any Warrant issued to an Original U.S. Warrantholder that is a Qualified Institutional Buyer may be issued in certificated form or uncertificated form, in each case as part of the Warrants issued in the name of the Depository. All Warrants issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Warrantholders to be maintained by the Warrant Agent in accordance with Section 2.9.

(b) Each Warrantholder by purchasing such Warrant acknowledges and agrees that the terms and conditions set forth in the form of the Warrant Certificate set out in Schedule "A" hereto shall apply to all Warrants and Warrantholders regardless of whether such Warrants are issued in certificated or uncertificated form.

2.6 Book Entry Only Warrants.

(a) Registration of beneficial interests in and transfers of Warrants held by the Depository shall be made only through the book entry registration system and no Warrant Certificates shall be issued in respect of such Warrants except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by the Depository, as determined by the Corporation, from time to time. Except as provided in this Section 2.6, owners of beneficial interests in any CDS Global Warrants shall not be entitled to have Warrants registered in their names and shall not receive or be entitled to receive Warrants in definitive form or to have their names appear in the register referred to in Section 2.9 herein.

(b) Notwithstanding any other provision in this Indenture, no CDS Global Warrants may be exchanged in whole or in part for Warrants registered, and no transfer of any CDS Global Warrants in whole or in part may be registered, in the name of any person other than the Depository for such CDS Global Warrants or a nominee thereof unless:

(i) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in connection with the Book Entry Only Warrants and the Corporation is unable to locate a qualified successor;

(ii) the Corporation determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Global Warrants and the Corporation is unable to locate a qualified successor;

(iii) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor;

(iv) the Corporation determines that the Warrants shall no longer be held as Book Entry Only Warrants through the Depository;

(v) such right is required by applicable law, as determined by the Corporation and the Corporation's Counsel;

(vi) the Warrant is to be Authenticated to or for the account or benefit of a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), in which case, the Warrant Certificate shall contain the U.S. Legend set forth in Section 2.8(a), if applicable; or

(vii) such registration is effected in accordance with the internal procedures of the Depository and the Warrant Agent,

following which, Warrants for those holders requesting the same shall be registered and issued to the beneficial owners of such Warrants or their nominees as directed by the Depository. The Corporation shall provide a certificate of the Corporation giving notice to the Warrant Agent of the occurrence of any event outlined in this Section 2.6(b)(i) – (vi).

(c) Subject to the provisions of this Section 2.6, any exchange of CDS Global Warrants for Warrants that are not CDS Global Warrants may be made in whole or in part in accordance with the provisions of Section 2.11, mutatis mutandis. All such Warrants issued in exchange for a CDS Global Warrant or any portion thereof shall be registered in such names as the Depository for such CDS Global Warrants shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Global Warrants) as the CDS Global Warrants or portion thereof surrendered upon such exchange.

(d) Every Warrant that is Authenticated upon registration or transfer of a CDS Global Warrant, or in exchange for or in lieu of a CDS Global Warrant or any portion thereof, whether pursuant to this Section 2.6, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Global Warrant, unless such Warrant is registered in the name of a person other than the Depository for such CDS Global Warrant or a nominee thereof.

(e) Notwithstanding anything to the contrary in this Indenture, subject to applicable law, the CDS Global Warrant will be issued as an Uncertificated Warrant, unless otherwise requested in writing by the Depository or the Corporation.

(f) The rights of beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system shall be limited to those established by applicable law and agreements between the Depository and the Book Entry Only Participants and between such Book Entry Only Participants and the beneficial owners of Warrants who hold securities

entitlements in respect of the Warrants through the book entry registration system, and such rights must be exercised through a Book Entry Only Participant in accordance with the rules and procedures of the Depository.

(g) Notwithstanding anything herein to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for:

(i) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Warrants or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Warrant represented by an electronic position in the book entry registration system (other than the Depository or its nominee);

(ii) maintaining, supervising or reviewing any records of the Depository or any Book Entry Only Participant relating to any such interest; or

(iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Only Participant.

(h) The Corporation may terminate the application of this Section 2.6 in its sole discretion, in which case all Warrants shall be evidenced by Warrant Certificates registered in the name of a person other than the Depository.

2.7 Warrant Certificate.

(a) For Warrants issued in certificated form, the form of certificate representing Warrants shall be substantially as set out in Schedule "A" hereto or such other form as is authorized from time to time by the Corporation and the Warrant Agent. Each Warrant Certificate shall be Authenticated manually on behalf of the Warrant Agent. Each Warrant Certificate shall be signed by any duly authorized signatory of the Corporation whose signature shall appear on the Warrant Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Corporation as if it had been signed manually. Any Warrant Certificate which has a signature as hereinbefore provided shall be valid notwithstanding that the person whose signature is printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such certificate. The Warrant Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Warrant Agent may determine.

(b) The Warrant Agent shall Authenticate Uncertificated Warrants (whether upon original issuance, exchange, registration of transfer, partial payment, or otherwise) by completing its Internal Procedures, and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Warrants under this Indenture. Such Authentication shall be conclusive evidence that each such Uncertificated Warrant has been duly

issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Warrants with respect to which this Indenture requires the Warrant Agent to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Warrants are binding on the Corporation.

(c) Any Warrant Certificate validly issued in accordance with the terms of this Indenture in effect at the time of issue of such Warrant Certificate shall, subject to the terms of this Indenture and applicable law, validly entitle the holder to acquire Common Shares, notwithstanding that the form of such Warrant Certificate may not be in the form currently required by this Indenture.

(d) No Warrant shall be considered issued, valid or obligatory nor shall the holder thereof be entitled to the benefits of this Indenture until the Warrant has been Authenticated by the Warrant Agent. Authentication by the Warrant Agent, including by way of entry on the register, shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or of such Warrant Certificates or Uncertificated Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture, and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or of the consideration thereof. Authentication by the Warrant Agent shall be conclusive evidence as against the Corporation that the Warrants so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.

(e) No Certificated Warrant shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by manual signature by or on behalf of the Warrant Agent substantially in the form of the Warrant Certificate set out in Schedule “A” hereto. Such Authentication on any such Certificated Warrant shall be conclusive evidence that such Certificated Warrant is duly Authenticated and is valid and a binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

(f) No Uncertificated Warrant shall be considered issued and shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Warrant. Such entry on the register of the particulars of an Uncertificated Warrant shall be conclusive evidence that such Uncertificated Warrant is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

(g) The Authentication by the Warrant Agent of any Warrants whether by way of entry on the register or otherwise shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or such

Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or the proceeds thereof.

2.8 Legends.

(a) Neither the Warrants nor the Warrant Shares have been, nor will they be, registered under the U.S. Securities Act or under the securities laws of any state of the United States, and may not be offered, sold or otherwise disposed of by a U.S. Warrantholder unless an exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable state securities laws is available or the Warrants and Warrant Shares, as applicable, are the subject of an effective registration statement under the U.S. Securities Act. Each Warrant Certificate issued to, or for the benefit or account of, a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), and each Warrant Certificate issued in exchange therefor or in substitution thereof shall bear the following legend or such variations thereof as the Corporation may prescribe from time to time (the "**U.S. Legend**"):

"THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "**CORPORATION**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided that, if the Warrants are being sold outside the United States in compliance with Rule 904 of Regulation S and in compliance with applicable local securities laws and regulations, and the Corporation is a "foreign private issuer" (as such term is defined in Regulation S) at the time the Warrants are originally issued, this U.S. Legend may be removed by the transferor providing a declaration to the Warrant Agent and to the Corporation in the form set forth in Schedule "C" or as the Corporation may prescribe from time to time, or such other evidence which may include an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation; provided further, that, if any such Warrants are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or in another transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the U.S. Legend may be removed by delivery to the Warrant Agent and the Corporation of an opinion of counsel, of recognized standing, reasonably satisfactory to the Corporation, to the effect that such U.S. Legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws.

The Warrant Agent shall be entitled to request any other documents that it may reasonably require in accordance with its internal policies for the removal of the U.S. Legend set forth above.

(b) Each CDS Global Warrant originally issued in Canada and held by the Depository, and each CDS Global Warrant issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Corporation may prescribe from time to time:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO COLUMBIA CARE INC. (THE "**ISSUER**") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN, AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

(c) Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Warrants, no duty or responsibility whatsoever shall rest upon the Warrant Agent to determine the compliance by any transferor or

transferee with the terms of the legend contained in subsections 2.8(a) or 2.8(b), or with the relevant securities laws or regulations, including, without limitation, Regulation S, and the Warrant Agent shall be entitled to assume that all transfers that are processed in accordance with this Indenture are legal and proper.

2.9 Register of Warrants.

(a) The Warrant Agent shall maintain records and accounts concerning the Warrants, whether certificated or uncertificated, which shall contain the information called for below with respect to each Warrant, together with such other information as may be required by law or as the Warrant Agent may elect to record. All such information shall be kept in one set of accounts and records which the Warrant Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Warrants. The information to be entered for each account in the register of Warrants at any time shall include (without limitation):

(i) the name and address of the holder of the Warrants, the date of Authentication thereof and the number of Warrants;

(ii) whether such Warrant is a Certificated Warrant or an Uncertificated Warrant and, if a Warrant Certificate, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Warrant, the unique number or code assigned thereto if any;

(iii) if any portion thereof has been exercised, the date and price of such exercise, and the remaining balance of such Warrants;

(iv) whether such Warrant has been cancelled; and

(v) a register of transfers in which all transfers of Warrants and the date and other particulars of each transfer shall be entered.

The register shall be available for inspection by the Corporation or any Warrantholder during the Warrant Agent's regular business hours on a Business Day and upon payment to the Warrant Agent of its reasonable fees. Any Warrantholder exercising such right of inspection shall first provide an affidavit, in form satisfactory to the Corporation and the Warrant Agent, stating the name and address of the Warrantholder and agreeing not to use the information therein except in connection with an effort to call a meeting of Warrantholders or to influence the voting of Warrantholders at any meeting of Warrantholders.

(b) Once an Uncertificated Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Warrant Agent from the holder as provided herein, except that the Warrant Agent may act unilaterally to make purely administrative changes internal to the Warrant Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably: (i) consented to the foregoing

authority of the Warrant Agent to make such minor error corrections; and (ii) agreed to pay to the Warrant Agent, promptly upon written demand, the full amount of all loss and expense (including without limitation reasonable legal fees of the Corporation and the Warrant Agent plus interest, at an appropriate then prevailing rate of interest to the Warrant Agent) sustained by the Corporation or the Warrant Agent as a proximate result of such error if, but only if, and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Warrant Agent; provided, that no person who is a bona fide purchaser shall have any such obligation to the Corporation or to the Warrant Agent.

2.10 Issue in Substitution for Warrant Certificates Lost, etc.

(a) If any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to applicable law, shall issue, and thereupon the Warrant Agent shall certify and deliver, a new Warrant Certificate of like tenor and bearing the same legend, if applicable, as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substituted Warrant Certificate shall be in a form approved by the Warrant Agent, and the Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Warrants issued or to be issued hereunder.

(b) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.10 shall bear the cost of the issue thereof and, in case of loss, destruction or theft, shall, as a condition precedent to the issuance thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Warrant Agent, in their sole discretion, and such applicant shall also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Warrant Agent, in their sole discretion, and shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

2.11 Exchange of Warrant Certificates.

(a) Any one or more Warrant Certificates representing any number of Warrants may, upon compliance with the reasonable requirements of the Warrant Agent (including compliance with applicable securities legislation), be exchanged for one or more other Warrant Certificates representing the same aggregate number of Warrants, and bearing the same legend, if applicable, as represented by the Warrant Certificate or Warrant Certificates so exchanged.

(b) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant

Agent. Any Warrant Certificate from the holder (or such other instructions, in form satisfactory to the Warrant Agent), tendered for exchange shall be surrendered to the Warrant Agency and cancelled by the Warrant Agent.

(c) Warrant Certificates exchanged for Warrant Certificates that bear the U.S. Legend set forth in Section 2.8(a) shall bear the same U.S. Legend.

2.12 Transfer and Ownership of Warrants.

(a) The Warrants may only be transferred on the register kept by the Warrant Agent at the Warrant Agency by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent only upon: (a) in the case of a Warrant Certificate, surrendering to the Warrant Agent at the Warrant Agency the Warrant Certificate representing the Warrants to be transferred together with a duly executed transfer form as set forth in Schedule "A" (together with a declaration for removal of U.S. Legend or opinion of counsel, if required by Section 2.8(a)); (b) in the case of Book Entry Only Warrants, in accordance with procedures prescribed by the Depository under the book entry registration system; (c) in the case of DRS Advices, in accordance with the procedures prescribed by the Warrant Agent; and (d) upon compliance with:

(i) the conditions herein;

(ii) such reasonable requirements as the Warrant Agent may prescribe; and

(iii) all applicable securities legislation and requirements of regulatory authorities;

and, in the case of (a) or (c) above, such transfer shall be duly noted in such register by the Warrant Agent. Upon compliance with such requirements, the Warrant Agent shall issue to the transferee a Warrant Certificate or DRS Advice, as applicable. Transfers within the systems of the Depository are not the responsibility of the Warrant Agent and will not be noted on the register maintained by the Warrant Agent.

(b) If a Warrant Certificate tendered for transfer bears the U.S. Legend set forth in Section 2.8(a), the Warrant Agent shall not register such transfer unless the transferor has provided the Warrant Agent with the Warrant Certificate and: (A) the transfer is made to the Corporation; (B) the transfer is made outside of the United States in a transaction meeting the requirements of Rule 904 of Regulation S, and is in compliance with applicable local laws and regulations, and the transferor delivers to the Warrant Agent and the Corporation a declaration substantially in the form set forth in Schedule "C" to this Warrant Indenture, or in such other form as the Corporation may from time to time prescribe, together with such other evidence of the availability of an exemption or exclusion from registration under the U.S. Securities Act (which may, without limitation, include an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation) as the Corporation may reasonably require; (C) the transfer is made

pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by (i) Rule 144A thereunder, if available, or (ii) Rule 144 thereunder, if available, and in each case in accordance with any applicable state securities or "blue sky" laws; (D) the transfer is in compliance with another exemption from registration under the U.S. Securities Act and applicable state securities laws; or (E) the transfer is made pursuant to an effective registration statement under the U.S. Securities Act and any applicable state securities laws; provided that, it has prior to any transfer pursuant to Sections 2.12(b)(C)(ii) or 2.12(b)(D) furnished to the Warrant Agent and the Corporation an opinion of counsel or other evidence in form and substance reasonably satisfactory to the Corporation to such effect. In relation to a transfer under (C)(ii) or (D) above, unless the Corporation and the Warrant Agent receive an opinion of counsel, of recognized standing, or other evidence reasonably satisfactory to the Corporation in form and substance, to the effect that the U.S. Legend set forth in subsection 2.8(a) is no longer required on the Warrant Certificates representing the transferred Warrants, the Warrant Certificates received by the transferee will continue to bear the U.S. Legend set forth in Section 2.8(a).

(c) Subject to the provisions of this Indenture, Applicable Legislation and applicable law, the Warrantholder shall be entitled to the rights and privileges attaching to the Warrants, and the issue of Common Shares by the Corporation upon the exercise of Warrants in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Warrants, and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder.

2.13 Cancellation of Surrendered Warrants.

All Warrant Certificates surrendered pursuant to Article 3 or transferred or exchanged pursuant to Article 2 shall be cancelled by the Warrant Agent, and, upon such circumstances, all such Uncertificated Warrants shall be deemed cancelled and so noted on the register by the Warrant Agent. Upon request by the Corporation, the Warrant Agent shall furnish to the Corporation a cancellation certificate identifying the Warrant Certificates so cancelled, the number of Warrants evidenced thereby, the number of Common Shares, if any, issued pursuant to such Warrants and the details of any Warrant Certificates issued in substitution or exchange for such Warrant Certificates cancelled.

ARTICLE 3
EXERCISE OF WARRANTS

3.1 Right of Exercise.

Subject to the provisions hereof, each Warrantholder may exercise the right conferred on such holder to subscribe for and purchase one (1) Common Share for each Warrant after the Issue Date and prior to the Expiry Time, subject to adjustment, and in accordance with the conditions herein; provided, however, that such exercise must be permitted under the U.S. Securities Act and under any applicable United States state securities laws.

3.2 Warrant Exercise.

(a) Holders of Certificated Warrants who wish to exercise the Warrants held by them in order to acquire Common Shares must, if permitted pursuant to the terms and conditions hereunder and as set forth in any applicable legend, complete the exercise form (the "**Exercise Notice**") attached to the Warrant Certificate(s) which form is attached hereto as Schedule "B", which may be amended by the Corporation with the consent of the Warrant Agent, if such amendment does not, in the reasonable opinion of the Corporation and the Warrant Agent, which may be based on the advice of Counsel, materially and adversely affect the rights, entitlements and interests of the Warrantholders, and deliver such certificate(s), the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency. The Warrants represented by a Warrant Certificate shall be deemed to be surrendered upon personal delivery of such certificate, Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

(b) In addition to completing the Exercise Notice attached to the Warrant Certificate(s), a Warrantholder (other than an Original U.S. Warrantholder) who is (i) in the United States, (ii) a U.S. Person, (iii) a person exercising such Warrants for the account or benefit of a U.S. Person or a person in the United States, (iv) executing or delivering the Exercise Notice attached as Schedule "B" hereto in the United States, or (v) requesting delivery in the United States of the Warrant Shares, must provide an opinion of counsel of recognized standing or other evidence, in form and substance reasonably satisfactory to the Corporation, that the exercise is exempt from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States.

(c) A Warrantholder evidenced by a security entitlement in respect of Warrants must complete the Exercise Notice and deliver the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency. The Uncertificated Warrants shall be deemed to be surrendered upon receipt of the Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

(d) A beneficial owner of Warrants issued in uncertificated form evidenced by a security entitlement in respect of Warrants in the book entry registration system who desires to exercise his or her Warrants must do so by causing a Book Entry Only Participant to deliver to the Depository on behalf of the entitlement holder, notice of the owner's intention to exercise Warrants in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, as well as payment for the aggregate Exercise Price, the Depository shall deliver to the Warrant Agent confirmation of its intention to exercise Warrants (a "**Confirmation**") in a manner acceptable to the Warrant Agent, including by

electronic means through a book based registration system, including CDSX. An electronic exercise of the Warrants initiated by the Book Entry Only Participant through a book based registration system, including CDSX, shall constitute a representation to both the Corporation and the Warrant Agent that the beneficial owner at the time of exercise of such Warrants either: (i) (A) is not in the United States; (B) is not a U.S. Person and is not exercising such Warrants on behalf of a U.S. Person or a person in the United States; (C) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of a U.S. Person or a person in the United States; (D) did not receive an offer to exercise the Warrant in the United States; (E) did not execute or deliver the notice of the owner's intention to exercise such Warrants in the United States; and (F) has, in all other respects, complied with the terms of Regulation S in connection with such exercise; or (ii) is an Original U.S. Warrantholder that is a Qualified Institutional Buyer.

If the Book Entry Only Participant is not able to make or deliver either the representations in Section 3.2(d) or the representations in Section 3.2(b) by initiating the electronic exercise of the Warrants, then (a) such Warrants shall be withdrawn from the book based registration system, including CDSX, by the Book Entry Only Participant; (b) an individually registered Warrant Certificate shall be issued by the Warrant Agent to such beneficial owner or Book Entry Only Participant and (c) the exercise procedures set forth in Section 3.2(a) shall be followed.

(e) Payment representing the aggregate Exercise Price must be provided to the appropriate office of the Book Entry Only Participant in a manner acceptable to it. A notice in form acceptable to the Book Entry Only Participant and payment from such beneficial holder should be provided to the Book Entry Only Participant sufficiently in advance so as to permit the Book Entry Only Participant to deliver notice and payment to the Depository and for the Depository in turn to deliver notice and payment to the Warrant Agent prior to Expiry Time. The Depository will initiate the exercise by way of the Confirmation and forward the aggregate Exercise Price electronically to the Warrant Agent for prompt onward payment by the Warrant Agent to the Corporation which the Warrant Agent will promptly pay to the Corporation, and the Warrant Agent will execute the exercise by issuing to the Depository through the book entry registration system the Common Shares to which the exercising beneficial owner is entitled pursuant to the exercise. Any expense associated with the exercise process will be for the account of the entitlement holder exercising the Warrants and/or the Book Entry Only Participant exercising the Warrants on its behalf.

(f) By causing a Book Entry Only Participant to deliver notice to the Depository, a beneficial owner shall be deemed to have irrevocably surrendered his or her Warrants so exercised and appointed such Book Entry Only Participant to act as his or her exclusive settlement agent with respect to the exercise of the Warrants and the receipt of Common Shares in connection with the obligations arising from such exercise.

(g) Any notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect, and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Book Entry Only Participant to exercise or to give effect to the settlement thereof in accordance with the beneficial owner's instructions will not give rise to any obligations or liability on the part of the Corporation or Warrant Agent to the Book Entry Only Participant or the beneficial owner.

(h) Any exercise form or Exercise Notice referred to in this Section 3.2 shall be signed by the Warrantholder, or its executors or administrators or other legal representatives or an attorney of the Warrantholder, duly appointed by an instrument in writing satisfactory to the Warrant Agent, but such exercise form need not be executed by the Depository.

(i) Any exercise referred to in this Section 3.2 shall require that the entire Exercise Price for Common Shares subscribed must be paid at the time of subscription, and such Exercise Price and original Exercise Notice executed by the Warrantholder or the Confirmation from the Depository must be received by the Warrant Agent prior to the Expiry Time.

(j) Notwithstanding the foregoing in this Section 3.2, Warrants may only be exercised pursuant to this Section 3.2 by or on behalf of a Warrantholder, as applicable, who makes the certifications set forth on the Exercise Notice set out in Schedule "B" or as provided herein.

(k) If the form of Exercise Notice set forth in the Warrant Certificate shall have been amended, the Corporation shall cause the amended Exercise Notice to be forwarded to all Warrantholders.

(l) Exercise Notices and Confirmations must be delivered to the Warrant Agent at any time during the Warrant Agent's actual business hours on any Business Day prior to the Expiry Time. Any Exercise Notice or Confirmations received by the Warrant Agent after business hours on any Business Day other than the Expiry Date will be deemed to have been received by the Warrant Agent on the next following Business Day.

(m) Any Warrant with respect to which an Exercise Notice or Confirmation is not received by the Warrant Agent before the Expiry Time shall be deemed to have expired and become void and all rights with respect to such Warrants shall terminate and be cancelled.

3.3 U.S. Restrictions.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Warrants may not be exercised within the United States by or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States unless an exemption from such registration requirements is available.

(a) Warrants may not be exercised except in compliance with the requirements set forth herein, in the Warrant Certificate hereto and in the Exercise Notice attached thereto.

(b) Warrant Shares issued upon the exercise of any Certificated Warrant (and each certificate issued in exchange therefor or in substitution thereof) (i) which bears the U.S. Legend set forth in Section 2.8(a), or (ii) other than pursuant to Box A of the Exercise Notice attached as Schedule "B" hereto shall be issued in certificated form and, upon such issuance, shall bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "**CORPORATION**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided that, if any such Warrant Shares are being sold outside the United States in compliance with Rule 904 of Regulation S and in compliance with applicable local securities laws and regulations, the legend set forth above may be removed by providing a declaration to the Corporation's registrar and transfer agent and to the Corporation in the form set forth in Schedule "C" or as the Corporation may prescribe from time to time, or such other evidence which may include an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation; provided further, that, if any such Warrant Shares are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or in another transaction that does not require registration under the U.S. Securities Act or

applicable state securities laws, the legend may be removed by delivery to the registrar and transfer agent of the Corporation and to the Corporation of an opinion of counsel, of recognized standing, reasonably satisfactory to the Corporation, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws.

(c) Notwithstanding anything to the contrary contained herein or in any Warrant or other agreement or instrument, the Corporation shall be entitled to cause a U.S. restrictive legend to be affixed to, or marked with respect to, any Warrant Shares issued upon exercise of Warrants at such time as the Corporation is not a "foreign issuer" (as defined in Regulation S) in the event that the Corporation determines that such affixing or marking of a U.S. restrictive legend is then necessary to comply with U.S. securities laws.

3.4 Transfer Fees and Taxes.

If any of the Common Shares subscribed for are to be issued to a person or persons other than the Warrantholder, the Warrantholder shall execute the form of transfer and will comply with such reasonable requirements as the Warrant Agent may stipulate and will pay to the Corporation or the Warrant Agent on behalf of the Corporation, all applicable transfer or similar taxes, and the Corporation will not be required to issue or deliver certificates evidencing Common Shares unless or until such Warrantholder shall have paid to the Corporation, or the Warrant Agent on behalf of the Corporation, the amount of such tax or shall have established to the satisfaction of the Corporation and the Warrant Agent that such tax has been paid or that no tax is due.

3.5 Warrant Agency.

To facilitate the exchange, transfer or exercise of Warrants and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the Warrant Agency, as the agency at which Warrants may be surrendered for exchange or transfer or at which Warrants may be exercised, and the Warrant Agent has accepted such appointment. The Corporation may, from time to time, designate alternate or additional places as the Warrant Agency (subject to the Warrant Agent's prior approval) and will give notice to the Warrant Agent of any proposed change of the Warrant Agency. Branch registers shall also be kept at such other place or places, if any, as the Corporation, with the approval of the Warrant Agent, may designate. The Warrant Agent will, from time to time, when requested to do so by the Corporation or any Warrantholder and upon payment of the Warrant Agent's reasonable charges, furnish a list of the names and addresses of Warrantholders showing the number of Warrants held by each such Warrantholder.

3.6 Effect of Exercise of Warrant Certificates.

(a) Upon the exercise of Warrants pursuant to and in compliance with Section 3.2 and subject to Section 3.3 and Section 3.4, the Common Shares to be issued pursuant to the Warrants exercised shall be deemed to have been issued, and the person or persons to whom such Common Shares are to be issued shall be deemed to have become the holder or holders of such Common Shares on the Exercise Date unless the register shall be closed on such date, in which case the Common Shares subscribed for shall be deemed to have been issued and such person or persons deemed to have become the holder or holders of record of such Common Shares,

on the date on which such register is reopened. It is hereby understood that, in order for persons to whom Common Shares are to be issued, to become holders of Common Shares of record on the Exercise Date, beneficial holders must commence the exercise process sufficiently in advance so that the Warrant Agent is in receipt of all items of exercise at least one Business Day prior to such Exercise Date.

(b) As soon as practicable, and in any event no later than within five Business Days after the Exercise Date with respect to a Warrant, the Warrant Agent shall cause to be delivered or mailed to the person or persons in whose name or names the Warrant is registered or, if so specified in writing by the holder, cause to be delivered to such person or persons at the Warrant Agency where the Warrant Certificate was surrendered, a certificate or certificates for the appropriate number of Common Shares subscribed for, or any other appropriate evidence of the issuance of Common Shares to such person or persons in respect of Common Shares issued under the book entry registration system.

3.7 Partial Exercise of Warrants; Fractions.

(a) The holder of any Warrants may exercise his right to acquire a number of whole Common Shares less than the aggregate number that the holder is entitled to acquire. In the event of any exercise of a number of Warrants less than the number that the holder is entitled to exercise, the holder of Warrants upon such exercise shall, in addition, be entitled to receive, without charge therefor, one or more new Warrant Certificates, bearing the same legend, if applicable, or other appropriate evidence of Warrants, in respect of the balance of the Warrants held by such holder and which were not then exercised.

(b) Notwithstanding anything herein contained including any adjustment provided for in Section 4.1, no fractional Common Shares will be issuable upon any exercise of any Warrant, and the holder of such Warrant will not be entitled to any cash payment or compensation in lieu of a fractional Common Share. Warrants may only be exercised in a sufficient number to acquire whole numbers of Common Shares. Any fractional Common Shares shall be rounded down to the nearest whole number.

3.8 Expiration of Warrants.

Immediately after the Expiry Time, all rights under any Warrant in respect of which the right of acquisition provided for herein shall not have been exercised shall cease and terminate, and each Warrant shall be void and of no further force or effect.

3.9 Accounting and Recording.

(a) The Warrant Agent shall promptly account to the Corporation with respect to Warrants exercised, and shall promptly forward to the Corporation (or into an account or accounts of the Corporation with the bank or trust company designated by the Corporation for that purpose), all monies received by the Warrant Agent on the subscription of Common Shares through the exercise of Warrants. All such

monies and any securities or other instruments, from time to time received by the Warrant Agent, shall be received as agent for, and shall be segregated and kept apart by the Warrant Agent, the Warrantholders and the Corporation as their interests may appear.

(b) The Warrant Agent shall record the particulars of Warrants exercised, which particulars shall include the names and addresses of the persons who become holders of Common Shares on exercise and the Exercise Date, in respect thereof. The Warrant Agent shall provide such particulars in writing to the Corporation and to its registrar and transfer agent for its Common Shares within five Business Days of any request by the Corporation therefor.

3.10 Securities Restrictions.

Notwithstanding anything herein contained, Common Shares will be issued upon exercise of a Warrant only in compliance with the securities laws of any applicable jurisdiction.

ARTICLE 4
ADJUSTMENT OF NUMBER OF COMMON SHARES AND EXERCISE PRICE

4.1 Adjustment of Number of Common Shares and Exercise Price.

The subscription rights in effect under the Warrants for Common Shares issuable upon the exercise of the Warrants shall be subject to adjustment, from time to time, as follows:

(a) if, at any time during the Adjustment Period, the Corporation shall:

(i) subdivide, re-divide or change its outstanding Common Shares into a greater number of Common Shares;

(ii) reduce, combine or consolidate its outstanding Common Shares into a lesser number of Common Shares; or

(iii) issue Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Warrants or any outstanding options);

(any of such events in Section 4.1(a)(i), (ii) or (iii) being called a "**Common Share Reorganization**"), then the Exercise Price shall be adjusted as of the effective date or record date of such subdivision, re-division, change, reduction, combination, consolidation or distribution, as the case may be, shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares

outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the effective date or record date after giving effect to such Common Shares Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Share that would have been outstanding had such securities been exchanged for or converted into Common Shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in this Section 4.1(a) shall occur. Upon any adjustment of the Exercise Price pursuant to Section 4.1(a), the Exchange Rate shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(b) if and whenever, at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the Current Market Price on such record date (a "**Rights Offering**"), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable; any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(b), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in

effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that, if two or more such record dates or record dates referred to in this Section 4.1(b) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates;

(c) if and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a dis tribution to all or substantially all the holders of its outstanding Common Shares of: (i) securities of any class, whether of the Corporation or any other person (other than Common Shares); (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities convertible into or exchangeable for Common Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness; or (iv) any other property or other assets, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the Corporation (whose determination shall be conclusive), subject to any required stock exchange approval, of such securities or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Common Shares, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price; and Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(c), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(d) if and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 4.1(a) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership, limited liability company or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership, limited

liability company or other entity, any Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Common Shares that prior to such effective date the Warrantholder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership, limited liability company or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Warrantholder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Warrantholder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Warrant Agent, relying on advice of Counsel, to give effect to or to evidence the provisions of this Section 4.1(d), the Corporation, its successor, or such purchasing body corporate, partnership, limited liability company, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Warrantholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Warrant Agent pursuant to the provisions of this Section 4.1(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 8 hereof. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, limited liability company, trust or other entity and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1 and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances;

(e) in any case in which this Section 4.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Warrantholder of any Warrant exercised after the record date and prior to completion of such event the additional Common Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such Warrantholder an appropriate instrument evidencing such Warrantholder’s right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional

Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of exercise or such later date as such Warrantholder would, but for the provisions of this Section 4.1(e), have become the holder of record of such additional Common Shares pursuant to Section 4.1;

(f) in any case in which Section 4.1(a)(iii), Section 4.1(b) or Section 4.1(c) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Warrantholders of the outstanding Warrants receive, subject to any required stock exchange or regulatory approval, the rights or warrants referred to in Section 4.1(a)(iii), Section 4.1(b) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in Section 4.1(c), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrant having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be;

(g) the adjustments provided for in this Section 4.1 are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.1, provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect and no change in the number of Common Shares issuable upon exercise of the Warrants shall be required unless such adjustment would require adjustment by at least one one-hundredth of a Common Share, as applicable; provided, however, that any adjustments that, by reason of this Section 4.1(g), are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and

(h) after any adjustment pursuant to this Section 4.1, the term "**Common Shares**" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Warrantholder is entitled to receive upon the exercise of his Warrant, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or securities a Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full exercise of a Warrant.

4.2 Entitlement to Common Shares on Exercise of Warrant.

All Common Shares or shares of any class or other securities, which a Warrantholder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be Common Shares that such Warrantholder is entitled to acquire pursuant to such Warrant.

4.3 No Adjustment for Certain Transactions.

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Indenture or in connection with: (a) any share incentive plan or restricted share plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; (b) the satisfaction of existing instruments issued at the date hereof; or (c) payment of Dividends in the ordinary course.

4.4 Determination by Independent Firm.

In the event of any question arising with respect to the adjustments provided for in this Article 4, such question shall be conclusively determined by an independent firm of chartered professional accountants (other than the Auditors), who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Warrant Agent, all holders and all other persons interested therein.

4.5 Proceedings Prior to any Action Requiring Adjustment.

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of Counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Common Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

4.6 Certificate of Adjustment.

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 4.1, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of the Corporation's Auditors verifying such calculation. The Warrant Agent shall rely, and shall be protected in so doing, upon the certificate of the Corporation or of the Corporation's Auditor and any other document filed by the Corporation pursuant to this Article 4 for all purposes.

4.7 Notice of Special Matters.

The Corporation covenants with the Warrant Agent that, so long as any Warrant remains outstanding, it will give notice to the Warrant Agent and to the Warrantholders of its intention to fix a record date that is prior to the Expiry Date for any matter for which an adjustment may be required pursuant to Section 4.1. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The Corporation shall use its reasonable commercial efforts to give such notice not less than 14 days prior to such applicable record date. If notice has been given and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable, file with the Warrant Agent a computation of the adjustment and give notice to the Warrantholders of such adjustment computation.

4.8 No Action after Notice.

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which would deprive the Warrantholder of the opportunity to exercise its right of acquisition pursuant thereto during the period of 14 days after the giving of the certificate or notices set forth in Section 4.6 and Section 4.7.

4.9 Other Action.

If the Corporation, after the date hereof, shall take any action affecting the Common Shares (other than action described in Section 4.1), which in the reasonable opinion of the directors of the Corporation, would materially affect the rights of Warrantholders, the Exercise Price and/or the Exchange Rate, the number of Common Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting reasonably and in good faith, in their sole discretion, as they may determine to be equitable to the Warrantholders in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Common Shares are listed for trading has been obtained.

4.10 Protection of Warrant Agent.

The Warrant Agent shall not:

(a) at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any other securities or property which may, at any time, be issued or delivered upon the exercise of the rights attaching to any Warrant;

(c) be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates for the same upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article; and

(d) incur any liability or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Corporation.

4.11 Participation by Warrantholder.

No adjustments shall be made pursuant to this Article 4 if the Warrantholders are entitled to participate in any event described in this Article 4 on the same terms, mutatis mutandis, as if the Warrantholders had exercised their Warrants prior to, or on the effective date or record date of, such event.

ARTICLE 5
RIGHTS OF THE CORPORATION AND COVENANTS

5.1 Optional Purchases by the Corporation.

Subject to compliance with applicable securities legislation and approval of applicable regulatory authorities, if any, the Corporation may, from time to time purchase, by private contract or otherwise any of the Warrants with the consent of the holders of such Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors, such Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. In the case of Certificated Warrants, Warrant Certificates representing the Warrants purchased pursuant to this Section 5.1 shall forthwith be delivered to and cancelled by the Warrant Agent and reflected accordingly on the register of Warrants. In the case of Uncertificated Warrants, the Warrants purchased pursuant to this Section 5.1 shall be reflected accordingly on the register of Warrants and in accordance with procedures prescribed by the Depository under the book entry registration system or, with respect to Uncertificated Warrants represented by a DRS Advice, reflected on the register of Warrants and in accordance with the procedures of the Warrant Agent for its DRS. No Warrants shall be issued in replacement thereof.

5.2 General Covenants.

The Corporation covenants with the Warrant Agent that, so long as any Warrants remain outstanding:

(a) it will reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Warrants;

(b) it will cause the Common Shares from time to time acquired pursuant to the exercise of the Warrants to be duly issued and delivered in accordance with the Warrants and the terms hereof;

(c) all Common Shares which shall be issued upon exercise of the right to acquire provided for herein shall be fully paid and non-assessable;

(d) it will use reasonable commercial efforts to maintain its existence and carry on its business in the ordinary course;

(e) it will use reasonable commercial efforts to ensure that all Common Shares outstanding or issuable from time to time (including without limitation the Common Shares issuable on the exercise of the Warrants) continue to be or are listed and posted for trading on the NEO (or such other stock exchange acceptable to the Corporation), provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the NEO, so long as the holders of Common Shares receive securities of an entity that is listed on a stock exchange in Canada or the United States, or cash, or the holders of the Common Shares

have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the NEO or other stock exchange on which the Common Shares are trading;

(f) it will make all requisite filings under applicable Canadian securities legislation including those necessary to remain a reporting issuer not in default in each of the provinces and other Canadian jurisdictions where it is or becomes a reporting issuer for a period of 24 months after the Effective Date, provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the NEO (or such other Canadian stock exchange acceptable to the Corporation), so long as the holders of Common Shares receive securities of an entity that is listed on a stock exchange in Canada or the United States, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the NEO or other Canadian stock exchange on which the Common Shares are trading;

(g) the Corporation will promptly notify the Warrant Agent and the Warrantholders in writing of any default under the terms of this Warrant Indenture which remains unrectified for more than ten days following its occurrence;

(h) the Corporation will generally perform and carry out all of the acts or things to be done by it as provided in this Warrant Indenture.

5.3 Warrant Agent's Remuneration and Expenses.

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of the duties hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Warrant Agent against unpaid invoices and shall be payable upon demand. This Section shall survive the resignation or removal of the Warrant Agent and/or the termination of this Indenture.

5.4 Performance of Covenants by Warrant Agent.

If the Corporation fails to perform any of its covenants contained in this Indenture, the Warrant Agent may notify the Warrantholders of such failure on the part of the Corporation and may itself perform any of the covenants capable of being performed by it but, subject to Section 9.2, shall be under no obligation to perform said covenants or to notify the Warrantholders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 5.3. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

5.5 Enforceability of Warrants.

The Corporation covenants and agrees that it is duly authorized to create and issue the Warrants to be issued hereunder and that the Warrants, when issued and Authenticated as herein provided, will be valid and enforceable against the Corporation in accordance with the provisions hereof and the terms hereof and that, subject to the provisions of this Indenture, the Corporation will cause the Common Shares from time to time acquired upon exercise of Warrants issued under this Indenture to be duly issued and delivered in accordance with the terms of this Indenture.

ARTICLE 6
ENFORCEMENT

6.1 Suits by Warrantholders.

All or any of the rights conferred upon any Warrantholder by any of the terms of this Indenture may be enforced by the Warrantholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Warrantholders.

6.2 Suits by the Corporation.

The Corporation shall have the right to enforce full payment of the Exercise Price of all Common Shares issued by the Warrant Agent to a Warrantholder hereunder and shall be entitled to demand such payment from the Warrantholder or alternatively to instruct the Warrant Agent to cancel the share certificates and amend the securities register accordingly.

6.3 Immunity of Shareholders, etc.

The Warrant Agent and the Warrantholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, trustee, director, officer, employee or agent of the Corporation or any successor entity on any covenant, agreement, representation or warranty by the Corporation herein.

6.4 Waiver of Default.

Upon the happening of any default hereunder:

(a) the holders of not less than 51% of the Warrants then outstanding shall have power (in addition to the powers exercisable by Extraordinary Resolution) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or

(b) the Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, on the advice of Counsel, if, in the Warrant Agent's opinion, based on the advice of Counsel, the same shall have been cured or adequate provision made therefor;

provided that no delay or omission of the Warrant Agent or of the Warrantholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be

construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or of the Warrantholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

ARTICLE 7
MEETINGS OF WARRANTHOLDERS

7.1 Right to Convene Meetings.

The Warrant Agent may, at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Warrantholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Warrantholders signing such Warrantholders' Request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Warrantholders. If the Warrant Agent fails to so call a meeting within seven days after receipt of such written request of the Corporation or such Warrantholders' Request and the indemnity and funding given as aforesaid, the Corporation or such Warrantholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Vancouver, British Columbia or at such other place as may be mutually approved or determined by the Warrant Agent and the Corporation.

7.2 Notice.

At least 21 days' prior written notice of any meeting of Warrantholders shall be given to the Warrantholders in the manner provided for in Section 10.2 and a copy of such notice shall be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Warrantholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Section 7.2.

7.3 Chairman.

An individual (who need not be a Warrantholder) designated in writing by the Warrant Agent and the Corporation shall be chairman of the meeting and, if no individual is so designated, or if the individual so designated is not present within fifteen minutes from the time fixed for the holding of the meeting, the Warrantholders present in person or by proxy shall choose an individual present to be chairman.

7.4 Quorum.

Subject to the provisions of Section 7.11, at any meeting of the Warrantholders a quorum shall consist of Warrantholder(s) present in person or by proxy holding at least 10% of the aggregate of all the then outstanding Warrants. If a quorum of the Warrantholders shall not be present within thirty minutes from the time fixed for holding any meeting, the meeting, if summoned by Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time

and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not hold at least 10% of all the then outstanding Warrants.

7.5 Power to Adjourn.

The chairman of any meeting at which a quorum of the Warrantholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

7.6 Show of Hands.

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands, except that votes on an Extraordinary Resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

7.7 Poll and Voting.

(a) On every Extraordinary Resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Warrantholders acting in person or by proxy and holding in the aggregate at least 5% of all the Warrants then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by Extraordinary Resolution shall be decided by a majority of the votes cast on the poll.

(b) On a show of hands, every person who is present and entitled to vote, whether as a Warrantholder or as proxy for one or more absent Warrantholders, or both, shall have one vote. On a poll, each Warrantholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Warrant then held or represented by it. A proxy need not be a Warrantholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants, if any, held or represented by him.

7.8 Regulations.

(a) The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make and from time to time vary such regulations as it shall think fit for the setting of the record date for a meeting for the purpose of determining Warrantholders entitled to receive notice of and to vote at the meeting.

(b) Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Warrantholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), shall be Warrantholders or proxies of Warrantholders.

7.9 Corporation and Warrant Agent May be Represented.

The Corporation and the Warrant Agent, by their respective directors, officers, agents, and employees and the Counsel for the Corporation and for the Warrant Agent may attend any meeting of the Warrantholders.

7.10 Powers Exercisable by Extraordinary Resolution.

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Warrantholders at a meeting shall, subject to the provisions of Section 7.11, have the power exercisable from time to time by Extraordinary Resolution:

(a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Warrantholders or the Warrant Agent in its capacity as warrant agent hereunder (subject to the Warrant Agent's prior consent, acting reasonably) or on behalf of the Warrantholders against the Corporation whether such rights arise under this Indenture or otherwise;

(b) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Warrantholders;

(c) to direct or to authorize the Warrant Agent, subject to Section 9.2(b) hereof, to enforce any of the covenants on the part of the Corporation contained in this Indenture or to enforce any of the rights of the Warrantholders in any manner specified in such Extraordinary Resolution or to refrain from enforcing any such covenant or right;

(d) to waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture either unconditionally or upon any conditions specified in such Extraordinary Resolution;

(e) to restrain any Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or to enforce any of the rights of the Warrantholders;

(f) to direct any Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Warrantholder in connection therewith;

(g) to assent to any change in or omission from the provisions contained in this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;

(h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Warrant Agent or its successor in office and to appoint a new warrant agent or warrant agents to take the place of the Warrant Agent so removed; and

(i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

7.11 Meaning of Extraordinary Resolution.

(a) The expression "Extraordinary Resolution" when used in this Indenture means, subject as hereinafter provided in this Section 7.11 and in Section 7.14, a resolution: (i) proposed at a meeting of Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Warrantholders holding at least 10% of the aggregate number of then outstanding Warrants and passed by the affirmative votes of Warrantholders holding not less than 66 2/3% of the aggregate number of then outstanding Warrants at the meeting and voted on the poll upon such resolution; or (ii) in writing signed by the holders of at least 66 2/3% of the then outstanding Warrants on any matter that would otherwise be voted upon at a meeting called to approve such resolution as contemplated in Section 7.11(a)(i).

(b) If, at the meeting at which an Extraordinary Resolution is to be considered, Warrantholders holding at least 10% of the aggregate number of then outstanding Warrants are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Warrantholders or on a Warrantholders' Request, shall be dissolved, but, in any other case, it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 14 days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice shall state that at the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 7.11(a) shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that Warrantholders holding at least 10% of the aggregate number of then outstanding Warrants are not present in person or by proxy at such adjourned meeting.

(c) Subject to Section 7.14, votes on an Extraordinary Resolution shall always be given on a poll, and no demand for a poll on an Extraordinary Resolution shall be necessary.

7.12 Powers Cumulative.

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Warrantholders by Extraordinary Resolution or otherwise may be exercised from time to time, and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Warrantholders to exercise such power or powers or combination of powers then or thereafter from time to time.

7.13 Minutes.

Minutes of all resolutions and proceedings at every meeting of Warrantholders shall be made and duly entered in books to be provided from time to time for that purpose by the Warrant Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

7.14 Instruments in Writing.

All actions that may be taken and all powers that may be exercised by the Warrantholders at a meeting held as provided in this Article 7 may also be taken and exercised by Warrantholders holding not less than 66 2/3% of the aggregate number of all of the then outstanding Warrants by an instrument in writing signed in one or more counterparts by such Warrantholders in person or by attorney duly appointed in writing, and the expression "**Extraordinary Resolution**" when used in this Indenture shall include an instrument so signed.

7.15 Binding Effect of Resolutions.

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 7 at a meeting of Warrantholders shall be binding upon all the Warrantholders, whether present at or absent from such meeting, and every instrument in writing signed by Warrantholders in accordance with Section 7.14 shall be binding upon all the Warrantholders, whether signatories thereto or not, and each and every Warrantholder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

7.16 Holdings by Corporation Disregarded.

In determining whether Warrantholders holding Warrants evidencing the required number of Warrants are present at a meeting of Warrantholders for the purpose of determining a quorum or have concurred in any consent, waiver, Extraordinary Resolution, Warrantholders' Request or other action under this Indenture, Warrants owned legally or beneficially by the Corporation shall be disregarded in accordance with the provisions of Section 10.7.

ARTICLE 8
SUPPLEMENTAL INDENTURES

8.1 Provision for Supplemental Indentures for Certain Purposes.

From time to time, the Corporation (when authorized by action of the directors) and the Warrant Agent may, subject to NEO approval (if required) and the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

(a) setting forth any adjustments resulting from the application of the provisions of Article 4;

(b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Warrantholders;

(c) giving effect to any Extraordinary Resolution passed as provided in Section 7.11;

(d) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Warrantholders;

(e) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrants, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;

(f) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Warrant Agent, relying on the advice of Counsel, such modification or relief in no way prejudices any of the rights of the Warrantholders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative;

(g) providing for the issuance of additional Warrants hereunder, including Warrants in excess of the number set out in Section 2.1 and any consequential amendments hereto as may be required by the Warrant Agent relying on the advice of Counsel; and

(h) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Warrant Agent, relying on the advice of Counsel, the rights of the Warrant Agent and of the Warrantholders are in no way prejudiced thereby.

8.2 Successor Entities.

In the case of the consolidation, amalgamation, arrangement, merger or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to or with another entity ("**successor entity**"), the successor entity resulting from such consolidation, amalgamation, arrangement, merger or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Warrant Agent acting reasonably and executed and delivered to the Warrant Agent, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

ARTICLE 9
CONCERNING THE WARRANT AGENT

9.1 Indenture Legislation.

(a) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.

(b) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

9.2 Rights and Duties of Warrant Agent.

(a) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall act honestly and in good faith and exercise that degree of care, diligence and skill that a reasonably prudent warrant agent would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Warrant Agent from liability for its own grossly negligent action, willful misconduct, bad faith or fraud.

(b) The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Warrantholders hereunder shall be conditional upon the Warrantholders furnishing, when required by notice by the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent and its officers, directors, employees and agents, against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.

(c) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Warrantholders, at whose instance it is acting to deposit with the Warrant Agent the Warrant Certificates held by them, for which Warrants the Warrant Agent shall issue receipts.

(d) Every provision of this Indenture that, by its terms, relieves the Warrant Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Applicable Legislation.

9.3 Evidence, Experts and Advisers.

(a) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.

(b) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to a request of the Warrant Agent, provided that such evidence complies with Applicable Legislation and that the Warrant Agent complies with Applicable Legislation and that the Warrant Agent examines the same and determines that such evidence complies with the applicable requirements of this Indenture.

(c) Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.

(d) The Warrant Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel, and shall not be responsible for any misconduct or gross negligence on the part of any such experts or advisers who have been appointed with due care by the Warrant Agent.

(e) The Warrant Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any Counsel, accountant, appraiser, engineer or other expert or adviser, whether retained or employed by the Corporation or by the Warrant Agent, in relation to any matter arising in the administration of the agency hereof.

9.4 Documents, Monies, etc. Held by Warrant Agent.

(a) Any monies, securities, documents of title or other instruments that may at any time be held by the Warrant Agent shall be placed in the deposit vaults of the Warrant Agent or of any Canadian chartered bank listed in Schedule I of the *Bank Act* (Canada), or deposited for safekeeping with any such bank. Any monies held pending the application or withdrawal thereof under any provisions of this Indenture, shall be held, invested and reinvested in "Permitted Investments" as directed in writing by the Corporation. "Permitted Investments" shall be treasury bills guaranteed by the Government of Canada having a term to maturity not to exceed ninety (90) days, or term deposits or bankers' acceptances of a Canadian chartered bank having a term to maturity not to exceed ninety (90) days, or such other investments that is in accordance with the Warrant Agent's standard type of investments. Unless otherwise specifically provided herein, all interest or other income received by the Warrant Agent in respect of such deposits and investments shall belong to the Corporation.

(b) Any written direction for the investment or release of funds received shall be received by the Warrant Agent by 9:00 a.m. (Vancouver Time) on the Business Day on which such investment or release is to be made, failing which such direction will be handled on a commercially reasonable efforts basis and may result in funds being invested or released on the next Business Day.

(c) The Warrant Agent shall have no responsibility or liability for any diminution of any funds resulting from any investment made in accordance with this Indenture, including any losses on any investment liquidated prior to maturity in order to make a payment required hereunder.

(d) In the event that the Warrant Agent does not receive a direction or only a partial direction, the Warrant Agent may hold cash balances constituting part or all of such monies and may, but need not, invest same in its deposit department, the deposit department of one of its affiliates, or the deposit department of a Canadian chartered bank; but the Warrant Agent, its affiliates or a Canadian chartered bank shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity.

9.5 Actions by Warrant Agent to Protect Interest.

The Warrant Agent shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Warrantholders.

9.6 Warrant Agent Not Required to Give Security.

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the agency and powers of this Indenture or otherwise in respect of the premises.

9.7 Protection of Warrant Agent.

By way of supplement to the provisions of any law for the time being relating to the Warrant Agent, it is expressly declared and agreed as follows:

(a) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representation contained in Section 9.9 or in the Authentication of the Warrant Agent on the Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;

(b) nothing herein contained shall impose any obligation on the Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;

(c) the Warrant Agent shall not be bound to give notice to any person or persons of the execution hereof;

(d) the Warrant Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of its covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation;

(e) the Corporation hereby indemnifies and agrees to hold harmless the Warrant Agent, its affiliates, their officers, directors, employees, agents, successors and assigns (the "**Indemnified Parties**") from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits, proceedings, costs, charges, assessments, judgments, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Indemnified Parties, or any of them, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties' duties, or any other services that Warrant Agent may provide in connection with or in any way relating to this Indenture. The Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that, notwithstanding any other provision of this Indenture, the Corporation shall not be required to hold harmless or indemnify the Indemnified Parties in the event of the gross negligence, bad faith, willful misconduct or fraud of the Warrant Agent or any Indemnified Party, and this provision shall survive the resignation or removal of the Warrant Agent or the termination or discharge of this Indenture; and

(f) notwithstanding the foregoing or any other provision of this Indenture, any liability of the Warrant Agent, other than arising as a result of the gross negligence, bad faith, willful misconduct or fraud of the Warrant Agent, shall be

limited, in the aggregate, to the amount of annual retainer fees paid by the Corporation to the Warrant Agent under this Indenture in the twelve (12) months immediately prior to the Warrant Agent receiving the first notice of the claim. Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Warrant Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

9.8 Replacement of Warrant Agent; Successor by Merger.

(a) The Warrant Agent may resign its agency and be discharged from all further duties and liabilities hereunder, subject to this Section 9.8, by giving to the Corporation not less than 60 days' prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Warrantholders by Extraordinary Resolution shall have power at any time to remove the existing Warrant Agent and to appoint a new warrant agent. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new warrant agent unless a new warrant agent has already been appointed by the Warrantholders; failing such appointment by the Corporation, the retiring Warrant Agent or any Warrantholder may apply to a judge of the Province of British Columbia on such notice as such judge may direct, for the appointment of a new warrant agent; but any new warrant agent so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Warrantholders. Any new warrant agent appointed under any provision of this Section 9.8 shall be an entity authorized to carry on the business of a trust company in the Province of British Columbia and, if required by the Applicable Legislation for any other provinces, in such other provinces. On any such appointment the new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent hereunder.

(b) Upon the appointment of a successor warrant agent, the Corporation shall promptly notify the Warrantholders thereof in the manner provided for in Section 10.2.

(c) Any Warrant Certificates Authenticated but not delivered by a predecessor Warrant Agent may be Authenticated by the successor Warrant Agent in the name of the predecessor or successor Warrant Agent.

(d) Any corporation into which the Warrant Agent may be merged or consolidated or amalgamated or to which all or substantially all of its business is sold, or any corporation resulting therefrom to which the Warrant Agent shall be a party, or any corporation succeeding to substantially the corporate trust business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as successor Warrant Agent under Section 9.8(a).

9.9 Conflict of Interest

The Warrant Agent represents to the Corporation that at the time of execution and delivery hereof no material conflict of interest exists between its role as a warrant agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 60 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its agency hereunder to a successor Warrant Agent approved by the Corporation and meeting the requirements set forth in Section 9.8(a)). Notwithstanding the foregoing provisions of this Section 9.9, if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Indenture and the Warrant Certificate shall not be affected in any manner whatsoever by reason thereof.

9.10 Acceptance of Agency

The Warrant Agent hereby accepts the agency in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth.

9.11 Warrant Agent Not to be Appointed Receiver.

The Warrant Agent and any person related to the Warrant Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

9.12 Authorization to Carry on Business

The Warrant Agent represents to the Corporation that as at the date of the execution and delivery of this Indenture, it is duly authorized and qualified to carry on the business of a trust company in the Province of British Columbia.

9.13 Warrant Agent Not Required to Give Notice of Default.

The Warrant Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and in the absence of any such notice the Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.

9.14 Anti-Money Laundering.

(a) Each party to this Agreement (other than the Warrant Agent) hereby represents to the Warrant Agent that any account to be opened by, or interest to be held by, the Warrant Agent in connection with this Agreement, for or to the credit of such party, either: (i) is not intended to be used by or on behalf of any third party; or

(ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Warrant Agent's prescribed form as to the particulars of such third party.

(b) The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten (10) days written notice to the other parties to this Agreement, provided: (i) that the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Warrant Agent's satisfaction within such ten (10) day period, then such resignation shall not be effective.

9.15 Compliance with Privacy Code.

The parties acknowledge that the Warrant Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(a) to provide the services required under this Indenture and other services that may be requested from time to time;

(b) to help the Warrant Agent manage its servicing relationships with such individuals;

(c) to meet the Warrant Agent's legal and regulatory requirements; and

(d) if Social Insurance Numbers are collected by the Warrant Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Warrant Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Indenture for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Warrant Agent shall make available on its website or upon request, including revisions thereto. The Warrant Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, each party agrees that it shall not provide or cause to be provided to the Warrant Agent any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

9.16 Securities Exchange Commission Certification.

The Corporation confirms that as at the date hereof it does not have a class of securities registered pursuant to Section 12 of the U.S. Exchange Act or a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act.

The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the U.S. Exchange Act, (ii) the Corporation shall incur a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act, or (iii) any such registration or reporting obligation shall be terminated by the Corporation in accordance with the U.S. Exchange Act, the Corporation shall promptly deliver to the Warrant Agent an officers' certificate notifying the Warrant Agent of such registration, reporting obligation or termination, and such other information as the Warrant Agent may reasonably require at the time. The Corporation acknowledges that the Warrant Agent is relying upon the foregoing representation and covenants in order to meet certain obligations of the Warrant Agent with respect to those clients of the Warrant Agent that are required to file reports with the SEC under the U.S. Exchange Act.

ARTICLE 10
GENERAL

10.1 Notice to the Corporation and the Warrant Agent.

(a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if delivered, sent by registered letter, postage prepaid or if emailed:

(i) If to the Corporation:

Columbia Care Inc.
680 Fifth Avenue, 24th Floor
New York, NY 10019 USA

Attention: Mary-Alice Miller, Chief Risk Officer
Email: mmiller@col-care.com

(ii) If to the Warrant Agent:

Odyssey Trust Company
323 – 409 Granville Street
Vancouver, British Columbia V6C 1T2

Attention: Corporate Trust
Email: corptrust@odysseytrust.com

and any such notice delivered in accordance with the foregoing shall be deemed to have been received and given on the date of delivery or, if mailed, on the fifth Business Day following the date of mailing such notice or, if transmitted by electronic means, on the next Business Day following the date of transmission.

(b) The Corporation or the Warrant Agent, as the case may be, may, from time to time, notify the other in the manner provided in Section 10.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.

(c) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed, as provided in Section 10.1(a), or given by email or other means of prepaid, transmitted and recorded communication.

10.2 Notice to Warrantholders.

(a) Unless otherwise provided herein, notice to the Warrantholders under the provisions of this Indenture shall be valid and effective if delivered or sent by ordinary prepaid post addressed to such holders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively received and given on the date of delivery or, if mailed, on the third Business Day following the date of mailing such notice. In the event that Warrants are held in the name of the Depository, a copy of such notice shall also be sent by electronic communication to the Depository and shall be deemed received and given on the day it is so sent.

(b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to such Warrantholders to the address for such Warrantholders contained in the register maintained by the Warrant Agent or such notice may be given, at the Corporation's expense, by means of publication in the Globe and Mail, National Edition, or any other English language daily newspaper or newspapers of general circulation in Canada, in each two successive weeks, the first such notice to be published within 5 Business Days of such event, and any so notice published shall be deemed to have been received and given on the latest date the publication takes place.

(c) Accidental error or omission in giving notice or accidental failure to mail notice to any Warrantholder will not invalidate any action or proceeding founded thereon.

10.3 Ownership of Warrants.

The Corporation and the Warrant Agent may deem and treat the Warrantholders as the absolute owner thereof for all purposes, and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary, except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. The receipt of any such Warrantholder of the Common Shares which may be acquired pursuant thereto shall

be a good discharge to the Corporation and the Warrant Agent for the same and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

10.4 Counterparts and Electronic Means.

This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, they shall be deemed to be dated as of the date hereof. Delivery of an executed copy of this Indenture by facsimile, electronic transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Indenture as of the date hereof.

10.5 Satisfaction and Discharge of Indenture.

Upon the earlier of:

(a) the date by which there shall have been delivered to the Warrant Agent for exercise or cancellation all Warrants theretofore Authenticated hereunder, in the case of Certificated Warrants (or such other instructions, in a form satisfactory to the Warrant Agent) or, in the case of Uncertificated Warrants, by way of standard processing through the book entry only system in the case of a CDS Global Warrant; and

(b) the Expiry Time;

and if all certificates or other entry on the register representing Common Shares required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Warrant Agent in accordance with such provisions, this Indenture shall cease to be of further effect, and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

10.6 Provisions of Indenture and Warrants for the Sole Benefit of Parties and Warrantholders.

Nothing in this Indenture or in the Warrants, expressed or implied, shall give or be construed to give to any person, other than the parties hereto and the Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Warrantholders.

10.7 Warrants Owned by the Corporation - Certificate to be Provided.

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation in Section 7.16, the Corporation shall provide to the Warrant Agent, from time to time, a certificate of the Corporation setting forth as at the date of such certificate:

(a) the names (other than the name of the Corporation) of the Warrantholders which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation; and

(b) the number of Warrants owned legally or beneficially by the Corporation;

and the Warrant Agent, in making the computations in Section 7.16, shall be entitled to rely on such certificate without any additional evidence.

10.8 Severability

If, in any jurisdiction, any provision of this Indenture or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision will, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without (a) invalidating the remaining provisions of this Indenture, (b) affecting the validity or enforceability of such provision in any other jurisdiction or (c) affecting its application to other parties or circumstances.

10.9 Force Majeure

No party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

10.10 Assignment, Successors and Assigns

Neither of the parties hereto may assign its rights or interest under this Indenture, except as provided in (a) Section 9.8 in the case of the Warrant Agent or (b) Section 8.2 in the case of the Corporation. Subject thereto, this Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

10.11 Rights of Rescission and Withdrawal for Holders

Should a holder of Warrants exercise any legal, statutory, contractual or other right of withdrawal or rescission that may be available to it, and the holder’s funds which were paid on exercise have already been released to the Corporation by the Warrant Agent, the Warrant Agent shall not be responsible for ensuring the exercise is cancelled and a refund is paid back to the holder. In such cases, the holder shall seek a refund directly from the Corporation and subsequently, the Corporation, upon surrender to the Corporation or the Warrant Agent of any underlying shares that may have been issued, or such other procedure as agreed to by the parties hereto, shall instruct the Warrant Agent in writing, to cancel the exercise transaction and any

such underlying shares on the register, which may have already been issued upon the Warrant exercise. In the event that any payment is received from the Corporation by virtue of the holder being a shareholder for such Warrants that were subsequently rescinded, such payment must be returned to the Corporation by such holder. The Warrant Agent shall not be under any duty or obligation to take any steps to ensure or enforce that the funds are returned pursuant to this section, nor shall the Warrant Agent be in any other way responsible in the event that any payment is not delivered or received pursuant to this section. Notwithstanding the foregoing, in the event that the Corporation provides the refund to the Warrant Agent for distribution to the holder, the Warrant Agent shall return such funds to the holder as soon as reasonably practicable, and, in so doing, the Warrant Agent shall incur no liability with respect to the delivery or non-delivery of any such funds.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

COLUMBIA CARE INC.

By: /s/ Michael Abbott
Name: Michael Abbott
Title: Executive Chairman

By: /s/ Nicholas Vita
Name: Nicholas Vita
Title: Chief Executive Officer

ODYSSEY TRUST COMPANY

By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

COLUMBIA CARE INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

ODYSSEY TRUST COMPANY

By: /s/ Dan Sander
Name: Dan Sander
Title: VP, Corporate Trust

By: /s/ Amy Douglas
Name: Amy Douglas
Title: Director, Corporate Trust

SCHEDULE "A"

FORM OF WARRANT

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE ON OR BEFORE 5:00 P.M. (VANCOUVER TIME) ON MARCH 30, 2023 AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

For all Warrants issued outside the United States and to Original U.S. Warrantholders that are Qualified Institutional Buyers and registered in the name of the Depository, also include the following legend:

(**INSERT IF BEING ISSUED TO CDS**) UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO COLUMBIA CARE INC. (THE "**ISSUER**") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN, AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

For Warrants originally issued for the benefit or account of a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), and each Warrant Certificate issued in exchange therefor or in substitution thereof, also include the following legends:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "**CORPORATION**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE

SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

WARRANT

To acquire Common Shares of

COLUMBIA CARE INC.

(existing under the laws of the Province of British Columbia)

Warrant Certificate No._____

Certificate for _____ Warrants, each entitling the holder to acquire one (1) Common Share (subject to adjustment as provided for in the Warrant Indenture (as defined below)

CUSIP 197309131 [CAD] / 197309149 [US]

ISIN CA1973091319 [CAD] / US1973091499 [US]

THIS IS TO CERTIFY THAT, for value received,

_____

(the "**Warrantholde**r") is the registered holder of the number of common share purchase warrants (the "**Warrants**") of Columbia Care Inc. (the "**Corporation**") specified above and is entitled, on exercise of these Warrants upon and subject to the terms and conditions set forth herein and in the Warrant Indenture, to purchase at any time before 5:00 p.m. (Vancouver Time) (the "**Expiry Time**") on the date that is two (2) years after the Issue Date (the "**Expiry Date**") one fully paid and non-assessable common share without par value in the capital of the Corporation as constituted on the date hereof (a "**Common Share**") for each Warrant, subject to adjustment in accordance with the terms of the Warrant Indenture.

The right to purchase Common Shares may only be exercised by the Warrantholder within the time set forth above by:

(a) duly completing and executing the exercise form (the "**Exercise Form**") attached hereto; and

(b) surrendering this warrant certificate (the "**Warrant Certificate**"), with the Exercise Form, to the Warrant Agent at the principal office of the Warrant Agent, in the city of Vancouver, British Columbia, together with a certified cheque, bank

draft or money order in the lawful money of Canada payable to or to the order of the Corporation in an amount equal to the purchase price of the Common Shares so subscribed for.

The surrender of this Warrant Certificate, the duly completed Exercise Form and payment as provided above will be deemed to have been effected only on personal delivery thereof to, or if sent by mail or other means of transmission on actual receipt thereof by, the Warrant Agent at its principal office as set out above.

Subject to adjustment thereof in the events and in the manner set forth in the Warrant Indenture hereinafter referred to, the exercise price payable for each Common Share upon the exercise of Warrants shall be CDN$3.10 per Common Share (the "**Exercise Price**").

Certificates for the Common Shares subscribed for will be mailed to the persons specified in the Exercise Form at their respective addresses specified therein or, if so specified in the Exercise Form, delivered to such persons at the office where this Warrant Certificate is surrendered. If fewer Common Shares are purchased than the number that can be purchased pursuant to this Warrant Certificate, the holder hereof will be entitled to receive without charge a new Warrant Certificate in respect of the balance of the Common Shares not so purchased. No fractional Common Shares will be issued upon exercise of any Warrant and no cash or other consideration will be paid in lieu of fractional Common Shares.

This Warrant Certificate evidences Warrants of the Corporation issued or issuable under the provisions of a warrant indenture (which indenture together with all other instruments supplemental or ancillary thereto is herein referred to as the "**Warrant Indenture**") dated as of March 31, 2020 between the Corporation and Odyssey Trust Company, as Warrant Agent, to which Warrant Indenture reference is hereby made for particulars of the rights of the holders of Warrants, the Corporation and the Warrant Agent in respect thereof and the terms and conditions on which the Warrants are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth, to all of which the holder, by acceptance hereof, assents. The Corporation will furnish to the holder, on request and without charge, a copy of the Warrant Indenture.

On presentation at the principal office of the Warrant Agent as set out above, subject to the provisions of the Warrant Indenture and on compliance with the reasonable requirements of the Warrant Agent, one or more Warrant Certificates may be exchanged for one or more Warrant Certificates representing the same number of Warrants as represented by the Warrant Certificate(s) so exchanged.

Neither the Warrants nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. The Warrants may not be exercised by a person in the United States, a U.S. Person, a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or a person requesting delivery in the United States of the Common Shares issuable upon such exercise unless (i) this Warrant and such Common Shares have been registered under the U.S. Securities Act and the applicable laws of any such state, or (ii) an exemption or exclusion from such registration requirements is available and the requirements set forth in the Exercise Form have been satisfied. Certificates representing Common Shares issued to, or for the account or benefit of, persons in the United

States or U.S. Persons may bear a legend restricting the transfer and exercise of such securities under applicable United States federal and state securities laws. “United States” and “U.S. Person” are as defined in Regulation S under the U.S. Securities Act.

The Warrant Indenture contains provisions for the adjustment of the Exercise Price payable for each Common Share upon the exercise of Warrants and the number of Common Shares issuable upon the exercise of Warrants in the events and in the manner set forth therein.

The Warrant Indenture also contains provisions making binding on all holders of Warrants outstanding thereunder resolutions passed at meetings of holders of Warrants held in accordance with the provisions of the Warrant Indenture and instruments in writing signed by Warrantholders of Warrants entitled to purchase a specific majority of the Common Shares that can be purchased pursuant to such Warrants.

Nothing contained in this Warrant Certificate, the Warrant Indenture or elsewhere shall be construed as conferring upon the holder hereof any right or interest whatsoever as a holder of Common Shares or any other right or interest except as herein and in the Warrant Indenture expressly provided. In the event of any discrepancy between anything contained in this Warrant Certificate and the terms and conditions of the Warrant Indenture, the terms and conditions of the Warrant Indenture shall govern.

Warrants may only be transferred in compliance with the conditions of the Warrant Indenture on the register to be kept by the Warrant Agent in Vancouver, British Columbia, or such other registrar as the Corporation, with the approval of the Warrant Agent, may appoint at such other place or places, if any, as may be designated, upon surrender of this Warrant Certificate to the Warrant Agent or other registrar accompanied by a written instrument of transfer in form and execution satisfactory to the Warrant Agent or other registrar and upon compliance with the conditions prescribed in the Warrant Indenture and with such reasonable requirements as the Warrant Agent or other registrar may prescribe and upon the transfer being duly noted thereon by the Warrant Agent or other registrar. Time is of the essence hereof.

This Warrant Certificate will not be valid for any purpose until it has been countersigned by or on behalf of the Warrant Agent from time to time under the Warrant Indenture.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language. Les parties aux présentes déclarent qu’elles ont exigé que la présente convention, de même que tous les documents s’y rapportant, soient rédigés en anglais.

[Signature Page Follows]

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be duly executed as of _____, 20 __.

COLUMBIA CARE INC.

By: _____
Authorized Signatory

Countersigned by:

ODYSSEY TRUST COMPANY

By: _____
Authorized Signatory

FORM OF TRANSFER

ANY TRANSFER OF WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER

To: Odyssey Trust Company

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to

_____

_____

(print name and address) the Warrants of Columbia Care Inc. represented by this Warrant Certificate or DRS Advice and hereby irrevocable constitutes and appoints as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Warrant Agent.

In the case of a warrant certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

☐ (A) the transfer is being made to the Corporation;

☐ (B) the transfer is being made outside the United States in compliance with Rule 904 of Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and in compliance with any applicable local laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Schedule "C" to the Warrant Indenture, or

☐ (C) the transfer is being made in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to such effect.

In the case of a Warrant Certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of a U.S. Person or to a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect.

☐ If transfer is to a person in the United States or a U.S. Person, check this box.

In the case of a transfer within the United States or to, or for the account or benefit of, a U.S. Person or to a person in the United States, the certificates representing the Warrants will be endorsed with a U.S. restrictive legend.

DATED this ____ day of _____, 20__.

SPACE FOR GUARANTEES OF SIGNATURES (BELOW)

Signature of Transferor

Guarantor's Signature/Stamp

Name of Transferor

REASON FOR TRANSFER – For US Citizens or Residents only (where the individual(s) or corporation receiving the securities is a US citizen or resident). Please select only one (see instructions below).

☐ **Gift** ☐ **Estate** ☐**Private Sale** ☐ **Other (or no change in ownership)**

Date of Event (Date of gift, death or sale):

Value per Warrant on the date of event:

$ ☐ CAD OR ☐ USD

CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then-current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.
- **Canada:** A Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.

- **Outside North America:** For holders located outside North America, present the certificates(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

OR

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”, “MEDALLION GUARANTEED” OR “SIGNATURE & AUTHORITY TO SIGN GUARANTEE”, all in accordance with the transfer agent’s then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer with a “MEDALLION GUARANTEED” Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

REASON FOR TRANSFER – FOR US CITIZENS OR RESIDENTS ONLY

Consistent with U.S. IRS regulations, Odyssey Trust Company is required to request cost basis information from U.S. securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized but, rather, the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

SCHEDULE "B"

EXERCISE FORM

TO: Columbia Care Inc. (the "**Corporation**")
680 Fifth Avenue, 24th Floor
New York, NY 10019 USA

AND TO: Odyssey Trust Company (the "**Warrant Agent**")
323 – 409 Granville Street
Vancouver, British Columbia V6C 1T2

The undersigned holder of the Warrants evidenced by this Warrant Certificate or DRS Advice hereby exercises the right to acquire _____ (A) Common Shares of Columbia Care Inc.

Exercise Price Payable: _____

((A) multiplied by $3.10, subject to adjustment)

The undersigned hereby exercises the right of such holder to be issued, and hereby subscribes for, Common Shares that are issuable pursuant to the exercise of such Warrants on the terms specified in such Warrant Certificate and in the Warrant Indenture.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ (A) the undersigned holder at the time of exercise of the Warrants (i) is not in the United States, (ii) is not a U.S. Person, (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this exercise form in the United States; (vii) is not requesting delivery in the United States of the Warrant Shares issuable upon such exercise; and (viii) represents and warrants that the exercise of the Warrants and acquisition of the Warrant Shares occurred in an "offshore transaction" (as defined under Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")); OR

☐ (B) the undersigned holder is (i) an Original U.S. Warrantholder, (ii) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the subscription agreement

executed and delivered in connection with its purchase of the Units pursuant to which the Units were originally issued and of which the Warrants originally comprised a part, (iii) is, and such disclosed principal, if any, is, an Accredited Investor at the time of exercise of these Warrants, and (iv) confirms the representations and warranties of the holder made in the subscription agreement executed and delivered in connection with its purchase of the Units pursuant to which the Units were originally issued and of which the Warrants originally comprised a part remain true and correct as of the date of exercise of these Warrants; OR

☐ (C) the undersigned holder

(i) is (1) in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or (4) requesting delivery in the United States of the Warrant Shares issuable upon such exercise, and

(ii) has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants and the issuance of the Warrant Shares and has delivered to the Corporation and the Warrant Agent a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation, to that effect.

It is understood that the Corporation and the Warrant Agent may require evidence to verify the foregoing representations.

The undersigned holder understands that unless Box A above is checked, the certificate representing the Common Shares may be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Indenture and the subscription documents). If Box C above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion or other evidence tendered in connection with the exercise will be satisfactory in form and substance to the Corporation. "**U.S. Person**" and "**United States**" are as defined in Regulation S under the U.S. Securities Act.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation. The undersigned hereby further acknowledges that the Corporation will rely upon the confirmations, acknowledgements and agreements set forth herein, and agrees to notify the Corporation promptly in writing if any of the representations or warranties herein ceases to be accurate or complete.

The undersigned hereby irrevocably directs that the said Common Shares be issued, registered and delivered as follows:

Name(s) in Full and Social Insurance Number(s) (if applicable)	**Address(es)**	**Number of Common Shares**

Please print full name in which certificates representing the Common Shares are to be issued. If any Common Shares are to be issued to a person or persons other than the registered holder, the registered holder must pay to the Warrant Agent all eligible transfer taxes or other government charges, if any, and the Form of Transfer must be duly executed.

Once completed and executed, this Exercise Form must be mailed or delivered to Odyssey Trust Company, 323 – 409 Granville Street, Vancouver, British Columbia V6C 1T2, Attention: Corporate Trust.

DATED this____ day of _____, 20 __.

	)	
	)	
Witness	)	Signature of Warrantholder, to be the same
	)	as appears on the face of this Warrant
	)	Certificate
	)	
	)	
		Name of Warrantholder

☐ Please check if the certificates representing the Common Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which such certificates will be mailed to the address set out above. Certificates will be delivered or mailed as soon as practicable after the surrender of this Warrant Certificate to the Warrant Agent.

SCHEDULE "C"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: ODYSSEY TRUST COMPANY as registrar and transfer agent for the [Warrants / Common Shares issuable upon exercise of the Warrants] of Columbia Care Inc. (the "**Corporation**")

AND TO: THE CORPORATION

The undersigned (A) acknowledges that the sale of (the "**Securities**") of the Corporation, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that: (1) the undersigned is not an "affiliate" (as that term is defined in Rule 405 under the U.S. Securities Act) of the Corporation; (2) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) none of the seller, any affiliate of the seller or any person acting on their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such Securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this____ day of _____, 20 __.

X _____

Signature of individual (if Seller **is** an individual)

X _____

Authorized signatory (if Seller is **not** an individual)

_____

Name of Seller **(please print)**

_____

Name of authorized signatory **(please print)**

_____

Official capacity of authorized signatory **(please print)**

Exhibit 4.5

EXECUTION COPY

TRUST INDENTURE

DATED AS OF THE 14th DAY OF MAY, 2020

BETWEEN

COLUMBIA CARE INC., AS ISSUER

AND

ODYSSEY TRUST COMPANY, AS TRUSTEE

PROVIDING FOR THE ISSUE OF NOTES

TABLE OF CONTENTS

THIS INDENTURE made as of the 14th day of May, 2020.

BETWEEN:

COLUMBIA CARE INC., a company subsisting under the laws of the Province of British Columbia (hereinafter called the "**Issuer**");

AND

ODYSSEY TRUST COMPANY, a trust company incorporated under the laws of the Province of Alberta authorized to carry on the business of a trust company in British Columbia (hereinafter called the "**Trustee**").

WITNESSETH THAT:

WHEREAS the Issuer considers it desirable for its business purposes to create and issue Notes of one or more series and other debt securities and engage in other forms of borrowing from time to time, all of the foregoing to be secured in the manner set forth in this Indenture.

AND WHEREAS the Issuer, subject to the terms hereof, may issue Notes in an unlimited aggregate principal amount and as of the date hereof the Issuer has duly authorized the issuance of up to US$34,340,000 in aggregate principal amount of its 13% Senior Secured Notes due May 14th, 2023, unless extended by the Issuer in accordance with this Indenture.

NOW THEREFORE it is hereby covenanted, agreed and declared as set forth herein:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Indenture (including the recitals hereto) and in the Notes, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the following meanings:

"**2023 Notes**" means the 13% Senior Secured Notes due May 14, 2023, unless extended by the Issuer in accordance with the terms of this Indenture, created and designated pursuant to Section 4.2.

"**Accounting Change**" has the meaning set forth in Section 1.13.

"**Accounting Change Notice**" has the meaning set forth in Section 1.13.

"**Accredited Investor**" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act.

"**Acquired Debt**" means, with respect to any specified Person, Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, regardless of whether such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person.

"**Additional Amounts**" has the meaning set forth in Section 4.12.

"**Additional Guarantors**" means each Restricted Subsidiary listed in Part II of Appendix D.

"**Additional Notes**" means Notes of any series (other than the Notes issued on the initial issue date of the relevant series of Notes and any Notes issued in exchange or in replacement (in whole or in part) for such initial Notes) issued under this Indenture in accordance with Section 3.2.

"**Advance Offer**" has the meaning given to that term in Section 7.15.

"**Advance Offer Portion**" has the meaning given to that term in Section 7.15.

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, will mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" will have correlative meanings.

"**Affiliate Transaction**" has the meaning given to that term in Section 7.12.

"**Applicable Premium**" means, with respect to any Note on any Redemption Date, the greater of:

(a) 1.0% of the Called Principal of the Note; and

(b) the excess, if any, of (i) the present value at such redemption date of (a) the redemption price of the Note at May 14, 2022 (such price being set forth under Section 4.7(d)); plus (b) all required interest payments due on the Note through May 14, 2022 (excluding accrued and unpaid interest to but excluding the redemption date), computed using a discount rate equal to the Treasury Rate plus 100 basis points and discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) over (ii) the principal amount of the Note.

"**Applicable Procedures**" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depository that apply to such transfer or exchange.

"**Applicable Securities Legislation**" means, at any time, applicable securities laws (including rules, regulations, policies, instruments and blanket orders) in each of the provinces and territories of Canada.

"**Asset Sale**" means any of the following:

(a) the sale, conveyance or other disposition of any assets, other than a transaction governed by the provisions of Section 7.14 or Section 12.1 of this Indenture, and

(b) the issuance of Equity Interests by any of the Issuer's Restricted Subsidiaries or the sale, transfer or other conveyance by the Issuer or any Restricted Subsidiary thereof of Equity Interests in any of its Subsidiaries (other than directors' qualifying shares or shares required to be owned by other Persons pursuant to applicable law).

Notwithstanding the preceding, the following items will be deemed not to be Asset Sales:

(a) any single transaction or series of related transactions that involves assets or other Equity Interests having a Fair Market Value of less than $2.0 million;

(b) any issuance or transfer of assets or Equity Interests between or among the Issuer and its Restricted Subsidiaries;

(c) the sale or other disposition of cash or Cash Equivalents;

(d) dispositions (including without limitation surrenders and waivers) of accounts or notes receivable or other contract rights in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings;

(e) the trade or exchange by the Issuer or any Restricted Subsidiary thereof of any asset for any other asset or assets that is used or useable in a Permitted Business, including any cash or Cash Equivalents necessary in order to achieve an exchange of equivalent value; provided, however, that the Fair Market Value of the asset or assets received by the Issuer or any Restricted Subsidiary in such trade or exchange (including any such cash or Cash Equivalents) is at least equal to the Fair Market Value (as determined in good faith by the Board of Directors or an executive officer of the Issuer or such Subsidiary with responsibility for such transaction, which determination shall be conclusive evidence of compliance with this provision) of the asset or assets disposed of by the Issuer or any Restricted Subsidiary pursuant to such trade or exchange;

(f) any sale, lease, conveyance or other disposition of (i) inventory, products, services or accounts receivable in the ordinary course of business, and (ii) any property or equipment that has become damaged, worn out or obsolete or pursuant to a program for the maintenance or upgrading of such property or equipment;

(g) the creation of a Lien not prohibited by this Indenture and any disposition of assets resulting from the enforcement or foreclosure of any such Lien;

(h) the disposition of assets that, in the good faith judgment of the Issuer, are no longer used or useful in the business of such entity;

(i) a Restricted Payment or Permitted Investment that is otherwise permitted by this Indenture;

(j) leases or subleases in the ordinary course of business to third persons otherwise in accordance with the provisions of this Indenture;

(k) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to a wholly owned Restricted Subsidiary of the Issuer;

(l) a surrender or waiver of contract rights or a settlement, release or surrender of contract, tort or other claims in the ordinary course of business;

(m) foreclosure on assets or property;

(n) any sale or other disposition of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(o) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements and the transfer of assets as part of the consideration for Investment in a joint venture so long as the Fair Market Value of such assets is counted against the amount of Investments permitted pursuant to Section 7.9;

(p) sales or dispositions in connection with Permitted Liens;

(q) sales or dispositions in respect of which the Issuer or a Restricted Subsidiary is required to pay the proceeds thereof to a third party pursuant to the terms of agreements or arrangements in existence as at the Issue Date; and

(r) any sale, transfer or other disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

For purposes of this definition, any series of related transactions that, if effected as a single transaction, would constitute an Asset Sale, shall be deemed to be a single Asset Sale effected when the last such transaction which is a part thereof is effected.

"**Asset Sale Offer**" has the meaning given to that term in Section 7.15.

"**Authentication Order**" has the meaning given to that term in Section 3.4(c).

"**Bankruptcy Law**" means the BIA, the CCAA and the *Winding Up and Restructuring Act* (Canada), each as now and hereafter in effect, any successors to such statutes, any other applicable insolvency, winding-up, dissolution, restructuring, reorganization, liquidation, or other similar law of any jurisdiction, and any law of any jurisdiction (including any corporate law relating to arrangements, reorganizations, or restructurings) permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it.

"**Beneficial Holder**" means any Person who holds a beneficial interest in a Global Note as shown on the books of the Depository or a Participant.

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada) as now and hereinafter in effect, or any successor statute.

"**Board of Directors**" means:

(a) with respect to a corporation, the board of directors of the corporation or a duly authorized committee thereof;

(b) with respect to a partnership, the board of directors of the general partner of the partnership;

(c) with respect to any other Person, the board, committee or governing body of such Person serving a similar function.

"**Board Resolution**" means a resolution certified by the Secretary or an Assistant Secretary of the Issuer to have been duly adopted by the Board of Directors of the Issuer and to be in full force and effect on the date of such certification.

"**Book Entry Only Notes**" means Notes of a series which, in accordance with the terms applicable to such series, are to be held only by or on behalf of the Depository.

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in the City of Vancouver, British Columbia are authorized or required by law, regulation or executive order to remain closed.

"**Capital Stock**" means:

(a) in the case of a corporation, corporate stock or shares;

(b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(c) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing any debt securities convertible into Capital Stock, regardless of whether such debt securities include any right of participation with Capital Stock.

"**Cash Equivalents**" means:

(a) United States or Canadian dollars Euros or Pound Sterling, in an amount up to the amount necessary or appropriate to fund local operating expenses, other currencies;

(b) securities issued or directly and fully guaranteed or insured by the government of the United States or Canada or any agency or instrumentality thereof (provided that the full faith and credit of the United States or Canada, as the case may be, is pledged in support of such securities), maturing, unless such securities are deposited to defease any Indebtedness, not more than one year from the date of acquisition;

(c) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any commercial bank organized under the laws of the United States, Canada or any other country that is a member of the Organization for Economic Cooperation and Development, in each case, having capital and surplus in excess of $500.0 million and a rating at the time of acquisition thereof of P-1 or better from Moody's or A-1 or better from Standard & Poor's, or, with respect to a commercial bank organized under the laws of Canada, the equivalent thereof by DBRS;

(d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (b) and (c) above entered into with any financial institution meeting the qualifications specified in clause (c) above;

(e) commercial paper having one of the two highest ratings obtainable from any of (i) Moody's, (ii) Standard & Poor's or (iii) DBRS, and in each case maturing within one year after the date of acquisition;

(f) securities issued and fully guaranteed by any state, commonwealth or territory of the United States of America, any province or territory of Canada, or by any political subdivision or Taxing Authority thereof, rated at least "A" by Moody's or Standard & Poor's or, with respect to any province or territory of Canada, the equivalent thereof by DBRS, and in each case having maturities of not more than one year from the date of acquisition; and

(g) money market funds, of which at least a majority of the assets constitute Cash Equivalents of the kinds described in clauses (a) through (g) of this definition.

"**CCAA**" means the *Companies Creditors Arrangement Act* (Canada) as now and hereinafter in effect, or any successor statute.

"**CDS**" means CDS Clearing and Depository Services Inc. and its successors.

"**Change of Control**" means the occurrence of any one or more of the following events:

(a) the sale, lease, exchange or other transfer of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole;

(b) any Person or group of Persons, acting jointly or in concert, is or becomes the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of the Issuer; or

(c) the adoption of a plan relating to the liquidation or dissolution of the Issuer which is not permitted by Section 12.1.

Notwithstanding anything to the contrary in this definition, the following will be deemed not to be a Change of Control: a merger, arrangement, amalgamation, continuance, consolidation or reorganization that results in the Issuer reincorporating, continuing or re-domiciling into a jurisdiction within (a) the United States (including any state thereof or the District of Columbia) or (b) Canada (including any province or territory thereof), so long as any Person or group of Persons, acting jointly or in concert, does not become the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of the successor Person resulting from such merger, arrangement, amalgamation, continuance, consolidation or reorganization.

For purposes of this definition, (i) a beneficial owner of a security includes any Person or group of persons who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (A) voting power, which includes the power to vote, or to direct the voting of, such security; and/or (B) investment power, which includes the power to dispose of, or to direct the disposition of, such security; (ii) a Person or group of Persons shall not be deemed to have beneficial ownership of securities subject to a stock purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement; and (iii) to the extent that one or more regulatory approvals are required for any of the transactions or circumstances described in clauses (a), (b) or (c) above to become effective under applicable law and such approvals have not been received before such transactions or circumstances have occurred, such transactions or circumstances shall be deemed to have occurred at the time such approvals have been obtained and become effective under applicable law.

"**Change of Control Offer**" has the meaning given to that term in Section 7.14(a).

"**Change of Control Payment**" has the meaning given to that term in Section 7.14(a).

"**Change of Control Payment Date**" has the meaning given to that term in Section 7.14(a).

"**Collateral**" means all Property of the Issuer and the Guarantors, whether now owned or hereafter acquired, in which Liens are, from time to time, granted to the Collateral Trustee to secure the Obligations of the Issuer and the Guarantors pursuant to the Notes and the Noteholder Collateral Platform; provided that, the Collateral shall not include the Excluded Property.

"**Collateral Trustee**" means Odyssey Trust Company in its capacity as collateral trustee for and on behalf of itself and the Noteholders under the Indenture and the Security Documents and any successor trustee or agent appointed hereunder.

"**Consolidated EBITDA**" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

(a) an amount equal to any net loss realized by such Person or any of its Restricted Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; plus

(b) all extraordinary, unusual or non-recurring items of loss or expense to the extent deducted in computing such Consolidated Net Income; plus

(c) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus

(d) Consolidated Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that any such Consolidated Fixed Charges were deducted in computing such Consolidated Net Income; plus

(e) depreciation, depletion, amortization (including amortization of intangibles and deferred financing costs but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, depletion, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; plus

(f) severance costs, restructuring costs, asset impairment charges and acquisition transition services costs, provided that in each case such costs or charges were deducted in calculating Consolidated Net Income for such period; plus

(g) the settlement amounts relating to the settlement of any claims against the Issuer or any of its Restricted Subsidiaries, in an amount not to exceed $10.0 million for any four fiscal quarter period; plus

(h) the amount of any one-time and non-recurring costs relating to opening or relocating facilities, signing, retention and completion bonuses, costs incurred in connection with any strategic initiatives, transition and other business optimization expenses and project start-up costs; provided that the aggregate amount for all cash items added pursuant to this clause (h) shall not exceed 10% of Consolidated EBITDA for any four fiscal quarter period (calculated prior to giving effect to any adjustment pursuant to this clause (h)); plus

(i) the amount of identified cost savings projected by the Issuer in good faith to result from actions taken or expected to be taken not later than twelve months after the end of such period (which identified cost savings shall be calculated as though they had been realized on the first day of the period for which Consolidated EBITDA is being determined); provided that (x) such cost savings are reasonably identifiable and factually supportable and (y) the aggregate amount of cost savings added pursuant to this clause (i) for any date for the four fiscal quarter period ending on such date shall not exceed, 20% of Consolidated EBITDA for any four fiscal quarter period ending on such date (calculated prior to giving effect to any adjustment pursuant to this clause (i)); plus

(j) fair value adjustments to biological assets, including cannabis plants, measured at fair value less cost to sell up to the point of harvest; plus

(k) all expenses related to restricted stock, redeemable stock or stock options interests granted to officers, directors and employees, to the extent such expenses were deducted in computing such Consolidated Net Income; minus

(l) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business;

in each case, on a consolidated basis and determined in accordance with IFRS.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, the Consolidated Fixed Charges of and the depreciation, depletion and amortization and other non-cash expenses of, a Restricted Subsidiary of the Issuer will be added to Consolidated Net Income to compute Consolidated EBITDA of the Issuer (A) in the same proportion that the Net Income of such Restricted Subsidiary was added to compute such Consolidated Net Income of the Issuer and (B) only to the extent that a corresponding amount would be permitted at the date of determination to be dividended or distributed, directly or indirectly, to the Issuer by such Restricted Subsidiary without prior governmental approval (that has not been obtained), and without direct or indirect restriction pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Subsidiary or its stockholders.

"**Consolidated Fixed Charge Coverage Ratio**" means, with respect to any specified Person for any period, the ratio of the Consolidated EBITDA of such Person for such period to the Consolidated Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness (other than the Incurrence or repayment of revolving credit borrowings, except to the extent that a repayment is accompanied by a permanent reduction in revolving credit commitments) or issues, repurchases or redeems Disqualified Stock subsequent to the commencement of the period for which the Consolidated Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Fixed Charge Coverage Ratio is made (the "**Calculation Date**"), then the Consolidated Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of such period; provided that, in the event that the Issuer shall classify Indebtedness Incurred on the date of determination as Incurred in part pursuant to Section 7.10(a) and in part pursuant to one or more clauses of the definition of "Permitted Debt", any calculation of Consolidated Fixed Charges pursuant to this definition on such date (but not in respect of any future calculation following such date) shall not include any such Indebtedness (and shall not give effect to any repayment, repurchase, redemption, defeasance or other acquisition, retirement or discharge of Indebtedness from the proceeds thereof) to the extent Incurred pursuant to any such other clause of the definition of "Permitted Debt" on such date. In addition, for purposes of calculating the Consolidated Fixed Charge Coverage Ratio:

(a) acquisitions and dispositions of business entities or property and assets constituting a division or line of business of any Person that have been made by the specified

Person or any of its Restricted Subsidiaries, including through mergers or consolidations, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect as if they had occurred on the first day of the four-quarter reference period, and Consolidated EBITDA for such reference period will be calculated on a pro forma basis in good faith on a reasonable basis by a responsible financial or accounting Officer of the Issuer; provided, that such Officer may in his discretion include any pro forma changes to Consolidated EBITDA, including any pro forma reductions of expenses and costs, that have occurred or are reasonably expected by such Officer to occur within twelve months;

(b) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, will be excluded;

(c) the Consolidated Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, will be excluded, but only to the extent that the obligations giving rise to such Consolidated Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(d) Consolidated Fixed Charges attributable to non-recurring charges associated with any premium or penalty paid, write-offs of deferred financing costs (including unamortized original issue discount) or other financial recapitalization changes in connection with redeeming or retiring any Indebtedness prior to its maturity, will be excluded;

(e) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period and any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(f) Consolidated Fixed Charges attributable to interest on any Indebtedness (whether existing or being Incurred) calculated on a pro forma basis and bearing a floating interest rate will be computed as if the rate in effect on the Calculation Date (taking into account any interest rate option, swap, cap or similar agreement applicable to such Indebtedness if such agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period.

"**Consolidated Fixed Charges**" means, with respect to any specified Person for any period, the sum, without duplication, of:

(a) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including amortization of debt issuance costs and original issue discount (provided, however, that any amortization of bond premium will be credited to reduce Consolidated Fixed Charges unless pursuant to IFRS, such amortization of bond premium has otherwise reduced Consolidated

Fixed Charges), non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations; plus

(b) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalized during such period; plus

(c) any interest expense actually paid on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries;

in each case, on a consolidated basis and in accordance with IFRS.

"**Consolidated Indebtedness**" as of any date means the aggregate principal amount of Indebtedness of the Issuer and its Restricted Subsidiaries outstanding on such date, determined on a consolidated basis in accordance with IFRS.

"**Consolidated Leverage Ratio**" means, as of any date of determination, with respect to the Issuer, the ratio of Consolidated Indebtedness at such date to Consolidated EBITDA for the most recently ended four full fiscal quarters for which internal financial statements are available (determined on a pro forma basis after giving effect to such adjustments as are consistent with those set forth in the definition of "Consolidated Fixed Charge Coverage Ratio").

"**Consolidated Net Income**" means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with IFRS; provided that:

(a) the Net Income or loss of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary thereof;

(b) a net loss of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent such loss has been funded with cash from the specified Person or a Restricted Subsidiary thereof;

(c) the cumulative effect of a change in accounting principles will be excluded;

(d) solely for purpose of determining the amount available for Restricted Payments under Section 7.9(a)(C)(1) the Net Income of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its equityholders; provided, however, that such Net Income shall be included in determining Consolidated Net Income up to the

aggregate amount of cash that could have been distributed by such Restricted Subsidiary to such Person or another Restricted Subsidiary as a dividend in compliance with such restriction;

(e) to the extent deducted in the calculation of Net Income, any non-recurring charges associated with any premium or penalty paid, write-offs of deferred financing costs (including unamortized original issue discount) or other financial recapitalization changes in connection with redeeming or retiring any Indebtedness prior to its maturity will be added back to the calculation of Consolidated Net Income;

(f) any gain or loss, together with any related provision for taxes on such gain or loss, realized in connection with: (a) any Asset Sale; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries;

(g) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss;

(h) any asset impairment write downs under IFRS will be excluded;

(i) unrealized gains and losses due solely to fluctuations in currency values and the related tax effects according to IFRS will be excluded; and

(j) unrealized losses and gains under Hedging Obligations included in the determination of Consolidated Net Income, will be excluded.

"**Consolidated Net Tangible Assets**" means, with respect to any Person as of any date of determination, the amount which, in accordance with IFRS, would be set forth under the caption "Total Assets" (or any like caption) on a consolidated statement of financial position of such Person and its Restricted Subsidiaries (except for purposes of Section 7.6, in which case the applicable consolidated statement of financial position will be in respect of the Issuer and all of its Subsidiaries), less all goodwill, patents, tradenames, trademarks, copyrights, franchises, experimental expenses, organization expenses and any other amounts classified as intangible assets in accordance with IFRS.

"**Counsel**" means a barrister or solicitor or firm of barristers or solicitors retained or employed by the Trustee or retained or employed by the Issuer and reasonably acceptable to the Trustee.

"**Credit Facilities**" means, if designated by the Issuer to be included in the definition of "Credit Facility", one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, securitization or receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) Debt Issuances, debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances), or (C) instruments or agreements evidencing any other Indebtedness, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time.

"**DBRS**" means, collectively, DBRS Limited, DBRS, Inc. and DBRS Ratings Limited or any successor ratings agency thereto.

"**Definitive Note**" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Sections 5.2(b) and 5.6 hereof, substantially in the form set out herein or in the Supplemental Indenture providing for the relevant series of Notes, except that such Note will not bear the Global Note Legend.

"**Debt Issuances**" means one or more issuances after the date of this Indenture of Indebtedness evidenced by notes, debentures, bonds or other similar securities or instruments.

"**Default**" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"**Depository**" means CDS and such other Person as is designated in writing by the Issuer and acceptable to the Trustee to act as depository in respect of any series of Book Entry Only Notes.

"**Description of Notes**" means the Section of the Offering Memorandum titled "Description of the Notes".

"**Designated Non-cash Consideration**" means the Fair Market Value of non-cash and non-Cash Equivalents consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as "Designated Non-cash Consideration" pursuant to an Officers' Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale, redemption or repayment of, or with respect to, such Designated Non-cash Consideration.

"**Designated Rating Organization**" means each of Standard & Poor's, Moody's and DBRS.

"**Disqualified Stock**" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is one year after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Issuer may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 7.9. The term "Disqualified Stock" will also include any options, warrants or other rights that are convertible into Disqualified Stock or that are redeemable at the option of the holder, or required to be redeemed, prior to the date that is one year after the date on which the Notes mature. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Indenture will be the maximum amount that the Issuer and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"**EDGAR**" means the electronic data gathering, analysis, and retrieval database maintained by the U.S. Securities and Exchange Commission.

"**Enforcement Request**" has the meaning given to that term in Section 2.4.

"**Enforcing Noteholders**" has the meaning given to that term in Section 2.4

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"**Equity Offering**" means (i) a public or private offer and sale of Capital Stock (other than (a) Disqualified Stock or (b) equity securities issuable under any employee benefit plan of the Issuer) of the Issuer to any Person (other than a Subsidiary of the Issuer) or (ii) a contribution to the equity capital of the Issuer by any Person (other than a Subsidiary of the Issuer).

"**Event of Default**" has the meaning given to that term in Section 9.1 and any other event defined as an "Event of Default" in this Indenture.

"**Excess Proceeds**" has the meaning given to that term in Section 7.15(d).

"**Excluded Property**" means (i) except as contemplated by Article 8, all owned and leased real property and, except to the extent a security interest therein can be perfected by filing of a PPSA financing statement or an "all assets" UCC financing statement, leasehold interests in all other assets, (ii) any motor vehicle, airplane or other asset subject to a certificate of title (other than to the extent a security interest therein can be perfected by filing a PPSA financing statement or an "all assets" UCC financing statement and without the requirement to list any VIN, serial or similar number), (iii) any letter of credit right (other than to the extent such right can be perfected by filing a PPSA financing statement or an "all assets" UCC financing statement) and commercial tort claims, (iv) any governmental or regulatory license or state or local franchise, charter, consent, permit or authorization to the extent the granting of a security interest therein is prohibited or restricted thereby or by applicable law (after giving effect to the applicable anti-assignment provisions of the PPSA or UCC, as applicable), (v) margin stock, (vi) general intangibles and any lease, license, permit or other agreement or any property or right subject thereto to the extent that a grant of a security interest therein would (after giving effect to the applicable anti-assignment provisions of the PPSA or UCC, as applicable) violate or invalidate such item or create a right of termination in favor of or otherwise require consent thereunder from any other party thereto (other than the Issuer or any Guarantor) which has not been obtained (with no requirement to seek or obtain the consent of any governmental authority or third party), (vii) any pledge or security interest prohibited or restricted by applicable law, rule or regulation or any agreement with any governmental authority or which would (after giving effect to the applicable anti-assignment provisions of the PPSA or UCC, as applicable) require any governmental (including regulatory) consent, approval, license or authorization to provide such security interest which has not been obtained (with no requirement to seek or obtain the consent of any governmental authority or third party), (viii) any "intent-to-use" trademark application prior to the filing of a statement of use, (ix) all Equity Interests of any Unrestricted Subsidiary, and (x) any other exception set forth in the Security Documents.

"**Existing Indebtedness**" means the aggregate amount of Indebtedness of the Issuer and its Restricted Subsidiaries (other than the Notes issued hereby and the related Subsidiary Guarantees) in existence on the Issue Date, until such Indebtedness is repaid or otherwise renewed, refinanced, replaced, defeased or discharged.

"**Fair Market Value**" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy; provided that, any determination of Fair Market Value in excess of $15 million shall be made in good faith by the Chief Executive Officer and/or the Chief Financial Officer of the Issuer.

"**First-Lien Indebtedness**" means Indebtedness under the Notes (including any Additional Notes), Indebtedness under Subsidiary Guarantees and any other Permitted Pari Indebtedness that becomes secured under the Noteholder Collateral Platform in accordance with the terms hereof.

"**First-Priority Lien**" means a first-priority Lien granted to the Collateral Trustee upon any Property of the Issuer or any Guarantor to secure First-Lien Indebtedness.

"**Global Note Legend**" means the legend set forth in Section 3.13(a), which is required to be placed on all Global Notes issued under this Indenture.

"**Global Notes**" means certificates representing the aggregate principal amount of Notes issued and outstanding and held by, or on behalf of, a Depository.

"**Government Securities**" means direct obligations of, or obligations guaranteed by, the federal government of the United States for the timely payment of which guarantee or obligations the full faith and credit of the federal government of the United States is pledged.

"**guarantee**" means, as to any Person, a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness of another Person

"**Guarantor**" means each Initial Guarantor, each Additional Guarantor and any other Person that becomes a Guarantor pursuant to Section 15.1 or that otherwise executes and delivers a Subsidiary Guarantee to the Collateral Trustee.

"**Hedging Obligations**" means, with respect to any specified Person, the Obligations of such Person under:

(a) interest rate swap agreements, interest rate cap agreements, interest rate collar agreements and other agreements or arrangements with respect to interest rates;

(b) commodity swap agreements, commodity option agreements, forward contracts and other agreements or arrangements with respect to commodity prices;

(c) foreign exchange contracts, currency swap agreements and other agreements or arrangements with respect to foreign currency exchange rates; and

(d) other agreements or arrangements designed to protect such Person or any Restricted Subsidiaries against fluctuations in interest rates, commodity prices or currency exchange rates.

"**Holder**" means a Person in whose name a Note (including a Pledged Note) is registered.

"**IFRS**" means International Financial Reporting Standards, as adopted by the International Accounting Standards Board, as in effect in Canada from time to time.

"**Incur**" means, with respect to any Indebtedness, to incur, create, issue, assume, guarantee or otherwise become directly or indirectly liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness (and "Incurrence" and "Incurred" will have meanings correlative to the foregoing); provided that (1) any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary of the Issuer will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary of the Issuer and (2) neither the accrual of interest or dividends nor the accretion of original issue discounts nor the payment of interest in the form of additional Indebtedness with the same terms and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock (to the extent provided for when the Indebtedness or Disqualified Stock on which such interest or dividend is paid was originally issued) will be considered an Incurrence of Indebtedness; provided that in each case the amount thereof is for all other purposes included in the Consolidated Fixed Charges and Indebtedness of the Issuer or its Restricted Subsidiary as accrued.

"**Indebtedness**" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

(a) in respect of borrowed money;

(b) evidenced by bonds, Notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(c) in respect of banker's acceptances;

(d) in respect of Lease Obligations and purchase money obligations entered into by such Person;

(e) in respect of the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed, unless subject to a bona fide dispute, except any such balance that constitutes an accrued expense or a trade payable;

(f) representing Disqualified Stock valued as provided in the definition of the term "Disqualified Stock;" or

(g) representing Hedging Obligations; or

(h) all preferred stock issued by such Person, if such Person is a Restricted Subsidiary or the Issuer and is not a Guarantor.

In addition, the term "**Indebtedness**" includes (x) all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person), provided that the amount of such Indebtedness will be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness, and (y) to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, the following shall not constitute Indebtedness:

(a) any obligation arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such obligation is extinguished within five Business Days of its incurrence;

(b) any obligation arising from any agreement providing for indemnities, guarantees, purchase price adjustments, holdbacks, contingency payment or earnout obligations based on the performance of the acquired or disposed assets, subordinated vendor takeback loan or similar obligations (other than guarantees of Indebtedness) customarily Incurred by any Person in connection with the acquisition or disposition of any assets, including Capital Stock, in an aggregate amount not to exceed $10.0 million at any one time outstanding;

(c) any indebtedness that has been defeased in accordance with IFRS or defeased pursuant to the irrevocable deposit of cash or Cash Equivalents (in an amount sufficient to satisfy all obligations relating thereto at maturity or redemption, as applicable, including all payments of interest and premium, if any) in a trust or account created or pledged for the sole benefit of the holders of such indebtedness, and subject to no other Liens, and in accordance with the other applicable terms of the instrument governing such indebtedness; provided, however, if any such defeasance shall be terminated prior to the full discharge of the Indebtedness for which it was Incurred, then such Indebtedness shall constitute Indebtedness for all relevant purposes of this Indenture; and

(d) any item that would not appear as a liability upon a balance sheet of the specified Person in accordance with IFRS.

The amount of any Indebtedness outstanding as of any date will be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations described above, the maximum liability upon the occurrence of the contingency giving rise to the obligation, and will be:

(a) the accreted value thereof, in the case of any Indebtedness issued with original issue discount; and

(b) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

"**Indenture**" means this indenture (including, for the avoidance of any doubt, the preamble and recitals hereto), as originally executed or as it may from time to time be supplemented, amended, restated, or otherwise modified in accordance with the terms hereof.

"**Initial 2023 Notes**" means the US$ 34,340,000 aggregate principal amount of 2023 Notes issued by the Issuer on the Initial Issue Date.

"**Initial Guarantors**" means each Restricted Subsidiary that has delivered a Subsidiary Guarantee on the Issue Date, being the Restricted Subsidiaries listed in Part I of Appendix D.

"**Initial Issue Dat**e" means the date on which the Initial 2023 Notes are originally issued under this Indenture, being May 14, 2020.

"**Interest Payment Date**" means, for each series of Notes, a date specified in such series of Notes or the Supplemental Indenture providing for such series of Notes (or, in the case of the 2023 Notes, as specified in Article 4) as the date on which an instalment of interest on such Notes shall become due and payable.

"**Insolvency Proceeding**" means a bankruptcy, insolvency, receivership, liquidation, winding up, reorganization or similar proceeding.

"**Investment Grade Rating**" means a rating equal to or higher than:

(a) "BBB-" (or the equivalent) from Standard & Poor's;

(b) "Baa3" (or the equivalent) from Moody's; or

(c) "BBB(Low)" (or the equivalent) from DBRS.

"**Investments**" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the form of loans or other extensions of credit (including guarantees), advances, capital contributions (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others, excluding commission, travel and similar advances to officers and employees made in the ordinary course of business and excluding accounts receivables created or acquired in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a statement of financial position prepared in accordance with IFRS.

If the Issuer or any Restricted Subsidiary of the Issuer sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Issuer such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Investment in such Subsidiary not sold or disposed of. The acquisition by the Issuer or any Restricted Subsidiary of the Issuer of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investment held by the acquired Person in such third Person.

"**Issue Date**" means the date the Notes are originally issued pursuant to this Indenture.

"**Issuer**" means Columbia Care Inc. and includes any successor to or of the Issuer, as permitted by the terms hereof.

"**Issuer Order**" means an order or direction in writing signed by the President, Chief Executive Officer or Chief Financial Officer of the Issuer or any director of the Issuer.

"**Lease Obligation**" means, at the time any determination thereof is to be made, the amount of the liability in respect of a lease liability that would at that time be required to be capitalized on a statement of financial position in accordance with IFRS as in effect on the Issue Date, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"**Lien**" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"**LVTS**" means the large value electronic money transfer system operated by the Canadian Payments Association and any successor thereto.

"**Maturity**" means, when used with respect to a Note of any series, the date on which the principal of such Note or an instalment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, Redemption Notice, notice of option to elect repayment or otherwise.

"**Maturity Account**" means an account or accounts required to be established by the Issuer (and which shall be maintained by and subject to the control of the Paying Agent) for each series of Notes issued pursuant to and in accordance with this Indenture.

"**Moody's**" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"**Net Proceeds**" means the aggregate cash proceeds, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not the interest component, thereof) received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of (a) the direct costs relating to such Asset Sale, including, without limitation, legal, accounting, investment banking and brokerage fees, and sales commissions, and any relocation expenses incurred as a result thereof, (b) taxes paid or payable as a result thereof, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, (c) amounts required to be applied to the repayment of Indebtedness or other liabilities secured by a Lien on the asset or assets that were the subject of such Asset Sale or required to be paid as a result of such sale, (d) in the case of any Asset Sale by

a Restricted Subsidiary of the Issuer, payments to holders of Equity Interests in such Restricted Subsidiary in such capacity (other than such Equity Interests held by the Issuer or any Restricted Subsidiary thereof) to the extent that such payment is required to permit the distribution of such proceeds in respect of the Equity Interests in such Restricted Subsidiary held by the Issuer or any Restricted Subsidiary thereof, and (e) appropriate amounts to be provided by the Issuer or its Restricted Subsidiaries as a reserve against liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any adjustment or indemnification obligations associated with such Asset Sale, all as determined in accordance with IFRS; provided that (i) excess amounts set aside for payment of taxes pursuant to clause (b) above remaining after such taxes have been paid in full or the statute of limitations therefor has expired and (ii) amounts initially held in reserve pursuant to clause (e) no longer so held, will, in the case of each of subclause (i) and (ii), at that time become Net Proceeds.

"**Noteholder Collateral Platform**" has the meaning given to in Section 2.1.

"**Notes**" means the notes, debentures or other evidence of indebtedness of the Issuer issued and authenticated hereunder, or deemed to be issued and authenticated hereunder, and includes Global Notes (which for greater certainty includes the 2023 Notes) and, where expressly so stated or the context so requires, Pledged Notes.

"**Obligations**" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"**Offering Memorandum**" means the offering memorandum of the Corporation dated May 11, 2020.

"**Officer**" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary, any Assistant Secretary, Executive Vice-President or any Senior Vice-President or Vice-President of such Person.

"**Officers' Certificate**" means a certificate signed on behalf of the Issuer by at least two Officers of the Issuer, one of whom must be the principal executive officer, the principal financial officer or the principal accounting officer of the Issuer, delivered to the Trustee that meets the requirements of this Indenture.

"**Opinion of Counsel**" means an opinion from legal counsel who is reasonably acceptable to the Trustee (who may be counsel to or an employee of the Issuer) that meets the requirements of this Indenture.

"**Original U.S. Holder**" means a U.S. Holder that is a Qualified Institutional Buyer and the original purchaser of the Notes and who delivered a U.S. QIB Letter in connection with its purchase of units comprised of Notes and common share purchase warrants from the Issuer in the original offering of such units;

"**Participants**" has the meaning given to that term in Section 5.2(d).

"**Paying Agent**" has the meaning given to that term in Section 3.5.

"**Payment Default**" has the meaning given to that term in Section 9.1(f)(i).

"**Permitted Acquisition Indebtedness**" means Indebtedness or Disqualified Stock of the Issuer or any of its Restricted Subsidiaries to the extent such Indebtedness or Disqualified Stock was Indebtedness or Disqualified Stock of any other Person existing at the time (i) such Person became a Restricted Subsidiary of the Issuer or (ii) such Person was merged or consolidated with or into the Issuer or any of its Restricted Subsidiaries; provided that on the date such Person became a Restricted Subsidiary of the Issuer or the date such Person was merged or consolidated with or into the Issuer or any of its Restricted Subsidiaries, as applicable, either:

(a) immediately after giving effect to such transaction on a pro forma basis as if the same had occurred at the beginning of the applicable four-quarter period, the Issuer or such Restricted Subsidiary, as applicable, would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in Section 7.10(a); or

(b) immediately after giving effect to such transaction on a pro forma basis as if the same had occurred at the beginning of the applicable four-quarter period, the Consolidated Fixed Charge Coverage Ratio of the Issuer would be equal to or greater than the Consolidated Fixed Charge Coverage Ratio of the Issuer immediately prior to such transaction.

"**Permitted Assets**" means any and all properties or assets that are used or useful in a Permitted Business (including Capital Stock in a Person that is a Restricted Subsidiary and Capital Stock in a Person whose primary business is a Permitted Business that shall become a Restricted Subsidiary immediately upon the acquisition of such Capital Stock by the Issuer or by a Restricted Subsidiary, but excluding any other securities).

"**Permitted Business**" means any business conducted or proposed to be conducted (as described in the Offering Memorandum relating to the Offering of the Notes issued on the Issue Date) by the Issuer and its Restricted Subsidiaries on the Issue Date and other businesses reasonably related, complimentary or ancillary thereto.

"**Permitted Debt**" has the meaning given to that term in Section 7.10(b).

"**Permitted Investments**" means:

(a) any Investment in the Issuer or in a Restricted Subsidiary of the Issuer;

(b) any Investment in Cash Equivalents;

(c) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person, if as a result of such Investment:

(i) such Person becomes a Restricted Subsidiary of the Issuer; or

(ii) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;

(d) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 7.15 or a sale or disposition of assets excluded from the definition of "Asset Sale";

(e) Hedging Obligations that are Incurred in the ordinary course of business and not for speculative purposes, and that do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in interest rates, commodity prices or foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(f) stock, obligations or securities received as a result of the bankruptcy or reorganization of a Person or taken in settlement or other resolutions of claims or disputes or in satisfaction of judgments, and extensions, modifications and renewals thereof;

(g) advances to customers or suppliers in the ordinary course of business that are, in conformity with IFRS, recorded as accounts receivable, prepaid expenses or deposits on the statement of financial position of the Issuer or its Restricted Subsidiaries and endorsements for collection or deposit arising in the ordinary course of business;

(h) any Investment in any Person solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Issuer;

(i) loans or advances to officers and employees of the Issuer or any of its Subsidiaries made in the ordinary course of business, which, in the aggregate outstanding amount, do not at any time exceed $1.0 million;

(j) repurchases of, or other Investments in, the Notes;

(k) advances, deposits and prepayments for purchases of any assets used in a Permitted Business, including any Equity Interests;

(l) commission, payroll, travel, entertainment and similar advances to officers and employees of the Issuer or any of its Restricted Subsidiaries that are expected at the time of such advance ultimately to be recorded as an expense in conformity with IFRS;

(m) guarantees issued in accordance with Section 7.10;

(n) Investments existing on the Issue Date;

(o) any Investment (i) existing on the Issue Date, (ii) made pursuant to binding commitments in effect on the date of this Indenture or (iii) that replaces, refinances or refunds any Investment described under either of the immediately preceding clauses (i) or (ii); provided that the new Investment is in an amount that does not exceed the amount replaced, refinanced or refunded, and not materially less favorable to the Issuer or any of its Restricted Subsidiaries than the Investment replaced, refinanced or refunded as determined in good faith by the Issuer;

(p) Investments the payment for which consists solely of Capital Stock of the Issuer;

(q) any Investment in any Subsidiary of the Issuer in connection with intercompany cash management arrangements or related activities;

(r) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business or consistent with past practice;

(s) performance guarantees made in the ordinary course of business or consistent with past practice;

(t) any Investments received in compromise or resolution of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes;

(u) Investments in the ordinary course of business or consistent with past practice consisting of the licensing or contribution of intellectual property pursuant to joint marketing or other business arrangements with other Persons;

(v) an Investment in satisfaction of judgments against other Persons; and

(w) any other Investment provided that, at the time of and after giving effect to such Investment, the aggregate Fair Market Value of such Investment (measured on the date each such Investment was made and without giving effect to subsequent changes in value) and all other Investments made under this paragraph (w) since the Issue Date does not exceed the greater of (i) $25 million and (ii) 0.3 times the Issuer's Consolidated EBITDA for the most recently ended four full fiscal quarters for which internal financial statements are available (determined on a pro forma basis after giving pro forma effect to the Investment and to such other pro forma adjustments as are consistent with those set forth in the definition of "Consolidated Fixed Charge Coverage Ratio");

provided, however, that with respect to any Investment, the Issuer may, in its sole discretion, allocate all or any portion of any Investment and later re-allocate all or any portion of any Investment, to one or more of the above clauses (a) through (w) so that the entire Investment would be a Permitted Investment.

"**Permitted Liens**" means:

(a) First-Priority Liens held by the Collateral Trustee securing Permitted Pari Indebtedness and all related Obligations;

(b) Liens in favor of the Issuer or any Restricted Subsidiary;

(c) Liens on property of a Person (i) existing at the time of acquisition thereof or (ii) existing at the time such Person is merged with or into or consolidated with the

Issuer or any Restricted Subsidiary of the Issuer; provided that such Liens were in existence prior to, and not in contemplation of, such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Issuer or the Restricted Subsidiary;

(d) Liens on property existing at the time of acquisition thereof by the Issuer or any Restricted Subsidiary of the Issuer, provided that such Liens were in existence prior to, and not in contemplation of, such acquisition and do not extend to any property other than the property so acquired by the Issuer or the Restricted Subsidiary;

(e) Liens securing the Notes and the Subsidiary Guarantees;

(f) Liens existing on the Issue Date that do not secure Indebtedness;

(g) Liens securing Permitted Refinancing Indebtedness; provided that any such Lien is limited to all or part of the same property or assets that secured (or under the written agreement under which such original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property and assets that are the security for another Permitted Lien hereunder;

(h) Liens on property or assets used to defease or to satisfy and discharge Indebtedness; provided that (i) the Incurrence of such Indebtedness was not prohibited by this Indenture and (ii) such defeasance or satisfaction and discharge is not prohibited by this Indenture;

(i) Liens to secure Lease Obligations permitted to be Incurred under Section 7.10, covering only the assets leased in connection therewith;

(j) Liens to secure Indebtedness permitted by Section 7.10(b)(iv), covering only the assets acquired, designed, constructed, installed, developed or improved with such Indebtedness;

(k) Liens securing Hedging Obligations incurred in the ordinary course of business and not for speculative purposes;

(l) Liens incurred or deposits made in the ordinary course of business in connection with worker’s compensation, unemployment insurance or other social security or similar obligations;

(m) Liens, deposits or pledges to secure the performance of bids, tenders, contracts (other than contracts for the payment of Indebtedness), leases, or other similar obligations arising in the ordinary course of business;

(n) Liens given to a public utility or any municipality or governmental or other public authority when required by such utility or authority in connection with the ownership of assets, provided that such Liens do not materially interfere with the use of such assets in the operation of the business;

(o) reservations, limitations, provisos and conditions, if any, expressed in any original grant from the government of Canada of any real property or any interest therein or in any comparable grant in jurisdictions other than Canada, provided they do not materially interfere with the use of such assets;

(p) survey exceptions, encumbrances, easements or reservations of, or rights of others for, rights of way, zoning or other restrictions as to the use of properties, and defects in title which, in the case of any of the foregoing, were not Incurred or created to secure the payment of Indebtedness, and which in the aggregate do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Issuer or any of its Restricted Subsidiaries;

(q) servicing agreements, development agreements, site plan agreements, and other agreements with governmental authorities pertaining to the use or development of assets, provided each is complied with in all material respects and does not materially interfere with the use of such assets in the operation of the business;

(r) judgment and attachment Liens, individually or in the aggregate, neither arising from judgments or attachments that gave rise to, nor giving rise to, an Event of Default, notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(s) Liens, deposits or pledges to secure public or statutory obligations, surety, stay, appeal, indemnity, performance or other similar bonds or obligations, and Liens, deposits or pledges in lieu of such bonds or obligations, or to secure such bonds or obligations, or to secure letters of credit in lieu of or supporting the payment of such bonds or obligations, in each case which are Incurred in the ordinary course of business;

(t) bankers' Liens and Liens in favor of collecting or payor banks having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Issuer or any Subsidiary thereof on deposit with or in possession of such bank;

(u) any interest or title of a lessor, licensor or sublicensor in the property subject to any lease, license or sublicense;

(v) Liens for taxes, assessments and governmental charges not yet delinquent or being contested in good faith and for which adequate reserves have been established to the extent required by IFRS;

(w) Liens arising from precautionary financing statements under the UCC or financing statements under a PPSA or similar statutes regarding leases, sales of receivables or consignments;

(x) Liens of franchisors in the ordinary course of business not securing Indebtedness;

(y) Liens imposed by law, such as carriers', warehousemen's, repairmen's, landlord's, suppliers', builders' and mechanics' Liens or other similar Liens, in each case, incurred in the ordinary course of business for sums not yet delinquent by more than 60 days or being contested in good faith, if such reserve or other appropriate provisions, if any, as shall be required by IFRS, shall have been made in respect thereto;

(z) Liens contained in purchase and sale agreements to which the Issuer or any of its Restricted Subsidiaries is the selling party thereto which limit the transfer of assets pending the closing of the transactions contemplated thereby;

(aa) Liens that may be deemed to exist by virtue of contractual provisions that restrict the ability of the Issuer or any of its Subsidiaries from granting or permitting to exist Liens on their respective assets;

(bb) Liens in favor of the Trustee as provided for in this Indenture on money or property held or collected by the Trustee in its capacity as Trustee;

(cc) Liens on and pledges of the Equity Interests of any Unrestricted Subsidiary or any joint venture owned by the Issuer or any of its Restricted Subsidiaries to the extent securing non-recourse debt or other Indebtedness of such Unrestricted Subsidiary or joint venture;

(dd) Liens securing any insurance premium financing under customary terms and conditions, provided that no such Lien may extend to or cover any assets or property other than the insurance being acquired with such financing, the proceeds thereof and any unearned or refunded insurance premiums related thereto;

(ee) Liens securing inventories that are purchased on credit terms exceeding 90 days made in the ordinary course of business;

(ff) Liens arising out of the conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(gg) Liens in favour of the Collateral Trustee; and

(hh) additional Liens with respect to Indebtedness provided that, at the time of and after giving effect to the Incurrence of such Liens, the aggregate amount of Indebtedness secured by such Liens and all other Liens Incurred under this clause since the Issue Date and which remain outstanding, does not exceed the greater of (a) US$25 million or (b) 6.5% of the Issuer's Consolidated Net Tangible Assets (determined as of the date of such Incurrence and including any assets acquired in connection therewith).

"**Permitted Refinancing Indebtedness**" means any Indebtedness of the Issuer or any of its Restricted Subsidiaries issued (i) in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund for value, in whole or in part, or (ii) constituting an amendment, modification or supplement to or deferral or renewal of ((i) and (ii) collectively, a

"**Refinancing**") any other Indebtedness of the Issuer or any of its Restricted Subsidiaries (other than intercompany Indebtedness); provided that:

(a) the amount of such Permitted Refinancing Indebtedness does not exceed the amount of the Indebtedness so refinanced (plus all accrued and unpaid interest thereon and the amount of any premium necessary to accomplish such refinancing and fees and expenses incurred in connection therewith);

(b) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being Refinanced;

(c) if the Indebtedness being Refinanced is subordinated in right of payment to the Notes or the Subsidiary Guarantees, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes or the Subsidiary Guarantees, as applicable, on terms at least as favorable, taken as a whole, to the Holders of Notes as those contained in the documentation governing the Indebtedness being Refinanced; and

(d) if the Indebtedness being Refinanced is *pari passu* in right of payment with the Notes or any Subsidiary Guarantee, such Permitted Refinancing Indebtedness is *pari passu* with, or subordinated in right of payment to, the Notes or such Subsidiary Guarantee, as applicable.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, unlimited liability company, or government or other entity.

"**Pledge**" means, in respect of a Note, a pledge, deposit or delivery of such Note or other agreement between the Issuer and a Noteholder in respect of such Note and "**Pledged Note**" means a Note which is subject to a Pledge.

"**PPSA**" means the *Personal Property Security Act* (British Columbia) and the regulations thereunder and the *Securities Transfer Act*, 2006 (British Columbia) and the regulations thereunder, in each case as from time to time in effect, provided, however, if validity, attachment, perfection (or opposability), effect of perfection or non-perfection or priority of the Collateral Trustee security interests in any Collateral are governed by the personal property security laws or laws relating to movable property of any other jurisdiction (including but not limited to the UCC), the term "PPSA" shall mean such other personal property security laws or laws relating to movable property for the purposes of the provisions hereof relating to such validity, attachment, perfection (or opposability), effect of perfection or non-perfection or priority and for the definitions related to such provisions.

"**Property**" means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal, or mixed, or tangible or intangible, including Capital Stock in, and other securities of, any other Person.

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as such term is defined in Rule 144A under the U.S. Securities Act, that is also an Accredited Investor.

"**Qualifying Location**" means (i) in the case of premises leased by the Issuer or a Restricted Subsidiary, that the Issuer or applicable Restricted Subsidiary has executed a collateral assignment of such lease in favour of the Collateral Trustee and obtained a Waiver of Priority in favour of the Collateral Trustee from the landlord of such premises, (ii) in the case of a warehouse or similar storage facility at which inventory owned by the Issuer or a Restricted Subsidiary is held by a warehouseman or similar third party as bailee, that the Issuer or applicable Restricted Subsidiary has granted a Lien in such inventory pursuant to a Security Document and such warehouseman or similar third party has provided a Waiver of Priority in favour of the Collateral Trustee, or (iii) in the case of premises legally and beneficially owned by the Issuer or a Restricted Subsidiary, that the Issuer or the applicable Restricted Subsidiary has executed and delivered to and in favour of the Collateral Trustee a Security Document mortgaging such ownership interest together with such evidence of the due recording or registration of such Security Document as the Collateral Trustee may reasonably require.

"**Record Date**" has the meaning given to such term in Section 3.11(d).

"**Redemption Date**" has the meaning given to that term in Section 6.4.

"**Redemption Notice**" has the meaning given to that term in Section 6.4.

"**Redemption Price**" has the meaning given to that term in Section 6.1.

"**Registrar**" has the meaning given to that term in Section 3.5.

"**Replacement Assets**" means (i) non-current assets that will be used or useful in a Permitted Business or (ii) substantially all the assets of a Permitted Business or a majority of the Voting Stock of any Person engaged in a Permitted Business that will become on the date of acquisition thereof a Restricted Subsidiary.

"**Reporting Failure**" means the failure of the Issuer to furnish to the Trustee and each holder of Notes, within the time periods specified in Section 7.5 (after giving effect to any grace period specified under applicable Canadian securities laws), the annual reports, information, documents or other reports which the Issuer may be required to file with the Canadian Securities Administrators or similar governmental authorities, as the case the be, pursuant to such or similar applicable provisions.

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Payments**" has the meaning given to that term in Section 7.9.

"**Restricted Subsidiary**" of a Person means any Subsidiary of such Person that is not an Unrestricted Subsidiary.

"**Security Coverage Test**" means, at any particular date, that as of such date either:

(a) at least (i) 60% of all of the inventory of the Issuer and the Restricted Subsidiaries is located at Qualifying Locations and (ii) 60% of all of the sales revenue of the Issuer and the Restricted Subsidiaries for the most recently completed fiscal quarter of the Issuer was derived from Qualifying Locations; or

(b) inventory is located at Qualifying Locations having a fair market value equal to or exceeding 175% of (i) the principal amount of all Notes (including Pledged Notes) outstanding on such date, and (ii) all Permitted Pari Indebtedness outstanding at such time.

"**Security Documents**" means all of the security agreements, pledges, collateral assignments, mortgages, deeds of hypothec, deeds of trust, trust deeds or other instruments from time to time evidencing or creating or purporting to create any security interests in favour of the Collateral Trustee for its benefit and for the benefit of the Trustee and the holders of the Notes, in all or any portion of the Collateral and in form and substance satisfactory to the Collateral Trustee, acting reasonably, as amended, modified, restated, supplemented or replaced from time to time.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Significant Subsidiary**" means any Subsidiary of the Issuer meeting any of the following conditions:

(a) the Issuer and its other Subsidiaries' investments in and advances to the Subsidiary exceed 10% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year;

(b) the Issuer and its other Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Subsidiary exceeds 10% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; and

(c) the Issuer and its other Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Subsidiary exclusive of amounts attributable to any non-controlling interest exceeds 10% of such income of the Issuer and its Subsidiaries consolidated for the most recently completed fiscal year

"**Standard & Poor's**" means Standard & Poor's Rating Service, a division of The McGraw-Hill Companies, Inc., or any successor to the rating agency business thereof.

"**Stated Maturity**" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"**Subordinated Indebtedness**" means Indebtedness of the Issuer or a Guarantor that is contractually subordinated in right of payment, in any respect (by its terms or the terms of any document or instrument relating thereto), to the Notes or the Subsidiary Guarantee of such Guarantor, as applicable.

"**Subsidiary**" means, with respect to any specified Person:

(a) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or Trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(b) any partnership (i) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (ii) the only general partners of which are such Person or one or more Subsidiaries of such Person (or any combination thereof).

"**Subsidiary Guarantee**" means the guarantee on the terms set forth in the Indenture by a Guarantor of the Obligations of the Issuer in respect of the Notes and the Indenture.

"**Supplemental Indenture**" means an indenture supplemental to this Indenture which may be executed, acknowledged and delivered for any of the purposes set out in Section 14.5.

"**Tax Act**" means the *Income Tax Act* (Canada), and the regulations promulgated thereunder, as amended.

"**Taxes**" means any present or future tax, duty, levy, impost, assessment or other government charge (including penalties, interest and any other liabilities related thereto, and for the avoidance of doubt, including any withholding or deduction for or on account of Tax) imposed or levied by or on behalf of a Taxing Authority.

"**Taxing Authority**" means any government or any political subdivision or territory or possession of any government or any authority or agency therein or thereof having power to tax.

"**TGS Acquisition Agreement**" means the acquisition agreement dated November 5, 2019 between the Issuer and The Green Solution, pursuant to which the Issuer will acquire The Green Solution.

"**Treasury Rate**" means, in respect of any redemption date, the yield to maturity as of the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519), that has become publicly available three Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)), most nearly equal to the period from the redemption date to May 14, 2022; provided, however, that if the period from the redemption date to May 14, 2022 is less than one year, the weekly average yield on actively traded United States Treasury securities adjusted to a constant maturity of one year will be used. The Issuer will (a) calculate the Treasury Rate no later than the second Business Day preceding the applicable Redemption Date and (b) prior to such Redemption Date file with the Trustee an Officers' Certificate setting forth the Applicable Premium and the Treasury Rate and showing the calculation of each in reasonable detail.

"**Trustee**" means Odyssey Trust Company in its capacity as trustee under this Indenture and its successors and permitted assigns in such capacity.

"**UCC**" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the Collateral Trustee's security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other that the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

"**Unrestricted Subsidiary**" means any Subsidiary of the Issuer that is designated by the Board of Directors of the Issuer as an Unrestricted Subsidiary pursuant to a Board Resolution in compliance with the covenant contained in Section 7.6, and any Subsidiary of such Subsidiary; provided that each of the Subsidiaries listed in Part III of Appendix D shall be deemed an Unrestricted Subsidiary on the Issue Date.

"**U.S. Holder**" means any (a) Holder that (i) is in the United States, (ii) received an offer to acquire Notes while in the United States, or (iii) was in the United States at the time such Holder's buy order was made or such Holder executed or delivered its purchase order for the Notes or (b) person who acquired Notes on behalf of, or for the account or benefit of, any person in the United States.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"**U.S. Legend**" has the meaning set forth in Section 2.3(h).

"**Voting Stock**" of any Person as of any date means the Capital Stock of such Person that is ordinarily entitled to vote in the election of the Board of Directors of such Person.

"**Waiver of Priority**" means (i) in the case of premises leased by the Issuer or a Restricted Subsidiary, a written consent or agreement from the landlord of such premises to the Lien in such lease and in the inventory located at such premises held by the Collateral Trustee and to the Collateral Trustee having access to such collateral together with a waiver or subordination of such landlord's Lien rights, or (ii) in the case of a warehouse or similar storage facility at which inventory owned by the Issuer or a Restricted Subsidiary is held by a warehouseman or similar third party as bailee, a written agreement from such bailee permitting the Collateral Trustee to have access to such inventory together with a waiver or subordination of such bailee's Lien rights, in each case in form and substance satisfactory to the Collateral Trustee, acting reasonably.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(a) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(b) the then outstanding principal amount of such Indebtedness.

1.2 Meaning of "Outstanding"

Every Note issued, authenticated and delivered in accordance with this Indenture shall be deemed to be outstanding until it is cancelled or redeemed or delivered to the Trustee for cancellation or redemption for monies or a new Note is issued in substitution for it pursuant to Section 3.10 or the payment for redemption thereof shall have been set aside under Section 6.7, provided that:

(a) when a new Note has been issued in substitution for a Note which has been lost, stolen or destroyed, only one of such Notes shall be counted for the purpose of determining the aggregate principal amount of Notes outstanding;

(b) Notes which have been partially redeemed or purchased shall be deemed to be outstanding only to the extent of the unredeemed or unpurchased part of the principal amount thereof;

(c) references to Notes herein shall not include Pledged Notes unless the contrary intention is expressly stated or the context so requires; and

(d) for the purposes of any provision of this Indenture entitling Holders of outstanding Notes of any series to vote, sign consents, resolutions, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum of any meeting of Holders thereof, Notes owned directly or indirectly, legally or equitably, by the Issuer or any of its Subsidiaries shall be disregarded (unless the Issuer and/or one or more of its Subsidiaries are the only Holders (or Beneficial Holders) of the outstanding aggregate principal amount of such series of Notes at the time outstanding in which case they shall not be disregarded) except that:

(i) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, requisition or other instrument or action, or on the Holders present or represented at any meeting of Holders, only the Notes in respect of which the Trustee has received an Officers' Certificate confirming that the Issuer and/or one or more of its Subsidiaries are the only Holders shall be so disregarded; and

(ii) Notes so owned which have been pledged in good faith other than to the Issuer or any of its Subsidiaries shall not be so disregarded if the pledgee shall establish, to the satisfaction of the Trustee, the pledgee's right to vote such Notes, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of the Issuer or any of its Subsidiaries.

1.3 Interpretation

In this Indenture:

(a) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;

(b) all references to Articles and Appendices refer, unless otherwise specified, to articles of and appendices to this Indenture;

(c) all references to Sections refer, unless otherwise specified, to sections, subsections or clauses of this Indenture;

(d) words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them; and

(e) "this Indenture", "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions refer to this Indenture and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include the Guarantees, as applicable, and any and every Supplemental Indenture.

1.4 Headings, Etc.

The division of this Indenture into Articles, Sections, subsections and paragraphs, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture.

1.5 Statute Reference

Any reference in this Indenture to a statute is deemed to be a reference to such statute as amended, re-enacted or replaced from time to time.

1.6 Day not a Business Day

In the event that any day on or before which any action required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the first Business Day thereafter.

1.7 Applicable Law

This Indenture and the Notes shall be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts.

1.8 Monetary References

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of the United States of America unless otherwise expressed.

1.9 Invalidity, Etc.

Each provision in this Indenture or in a Note is distinct and severable and a declaration of invalidity or unenforceability of any such provision by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof or thereof.

1.10 Language

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en langue anglaise. The parties hereto have required that this Indenture and all documents and notices related thereto be drawn up in English.

1.11 Successors and Assigns

All covenants and agreements in this Indenture by the Issuer on its own behalf and on behalf of its Restricted Subsidiaries shall bind their respective successors and assigns, as applicable, whether expressed or not.

1.12 Benefits of Indenture

Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their respective successors or assigns hereunder, any Paying Agent, the Holders and the Trustee, any benefit or any legal or equitable right, remedy or claim under this Indenture.

1.13 Accounting Terms; Changes in IFRS

(a) Each accounting term used in the Indenture, unless otherwise defined herein, has the meaning assigned to it under IFRS applied consistently throughout the relevant period and relevant prior periods.

(b) If there occurs a material change in IFRS after the Initial Issue Date, and such change would require disclosure under IFRS in the financial statements of the Issuer and would cause an amount required to be determined for the purposes of any of the financial calculations or financial terms under this Indenture (each a "**Financial Term**") to be materially different than the amount that would be determined without giving effect to such change, the Issuer shall notify the Trustee

of such change (an "**Accounting Change**"). Such notice (an "**Accounting Change Notice**") shall describe the nature of the Accounting Change, its effect on the Issuer's current and immediately prior year's financial statements in accordance with IFRS and state whether the Issuer desires to revise the method of calculating the applicable Financial Term (including the revision of any of the defined terms used in the determination of such Financial Term) in order that amounts determined after giving effect to such Accounting Change and the revised method of calculating such Financial Term will approximate the amount that would be determined without giving effect to such Accounting Change and without giving effect to the revised method of calculating such Financial Term. The Accounting Change Notice shall be delivered to the Trustee within 60 days of the end of the fiscal quarter in which the Accounting Change is implemented or, if such Accounting Change is implemented in the fourth fiscal quarter or in respect of an entire fiscal year, within 120 days of the end of such period. Promptly after receipt from the Issuer of an Accounting Change Notice the Trustee shall deliver to each Holder a copy of such notice.

(c) If the Issuer so indicates that it wishes to revise the method of calculating the Financial Term, the Issuer shall in good faith provide to the Trustee the revised method of calculating the Financial Term within 90 days of the Accounting Change Notice and such revised method shall take effect from the date of the Accounting Change Notice. For certainty, if no notice of a desire to revise the method of calculating the Financial Term in respect of an Accounting Change is given by the Issuer within the applicable time period described above, the method of calculating the Financial Term shall not be revised in response to such Accounting Change and all amounts to be determined pursuant to the Financial Term shall be determined after giving effect to such Accounting Change.

1.14 Interest Act (Canada)

For purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or fee to be paid hereunder or in connection herewith is to be calculated on the basis of any period of time that is less than a calendar year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 365 or 366, as applicable. The rates of interest under this Indenture are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Indenture.

ARTICLE 2
NOTEHOLDER COLLATERAL PLATFORM BORROWINGS

2.1 Establishment of Noteholder Collateral Platform

There is hereby established a facility designated as the "Noteholder Collateral Platform" in order to provide a framework for borrowings necessary, useful or convenient in order to permit the Issuer and its Subsidiaries to conduct their business. All Notes issued under this Indenture or a Supplemental Indenture and at any time outstanding shall rank *pari passu* and be equally and rateably secured with all other outstanding Notes with the same right, lien and entitlement with

respect to the Collateral without preference, priority or distinction between Notes on account of the date or dates or the actual time or times of the issuance or maturity of the Notes. Each Note of a particular series shall in all respects be equally and rateably secured with all other Notes of such series and shall have the same right, lien and entitlement hereunder established for the benefit of such series of Notes.

2.2 Form of Borrowings

All Notes shall be issued in series, pursuant to a Supplemental Indenture authorizing such series (or in the case of the 2023 Notes, pursuant to Article 4). In addition to Notes issued hereunder as direct evidence of the indebtedness of the Issuer to the Holder in the form of Global Notes, Notes may be issued by way of Pledged Notes to be held by the holder thereof as continuing collateral security for the borrowings of the Issuer or Guarantors as is specified in the instrument of Pledge pursuant to which such Note is Pledged including, but not limited to, loans, lines of credit, credit agreements and related swaps or other hedging instruments.

2.3 Mandatory Provisions of Pledged Notes

Each Pledged Note shall be subject to the following conditions and restrictions, which shall be set out in the Pledge related to such Pledged Note and shall be referenced or legended in such Pledged Note:

(a) such Pledged Note shall not be transferable or negotiable except to an assignee of the entire borrowings secured by such Pledged Note or to an assignee or successor of the facility agent or other Person in a similar capacity in respect of the borrowings secured by such Pledged Note and only in conjunction with an assignment of the related Pledge or the entering into by the assignee of a Pledge complying with this Section 2.3;

(b) notwithstanding the principal amount of such Pledged Note, or the rate of interest expressed to be payable thereon, such Pledged Note shall constitute an obligation of the Issuer to the holder thereof or other Persons in whose favour the borrowings secured by such Pledged Note is owed only to the extent of the lesser of (i) borrowings outstanding from time to time secured by such Pledged Note and (ii) the principal amount of such Pledged Note and interest accrued thereon, provided however, that no Pledged Note shall be deemed to have been redeemed only by reason of the Issuer having no indebtedness or liability to the Persons in whose favour any borrowings is secured by any such Pledge at any time while a Pledged Note is so Pledged; and

(c) the holder of a Pledged Note shall not be entitled to vote hereunder except (i) in respect of any proposed amendment or modification of this Article 2, Section 7.8, Article 8 or Article 15, or (ii) as contemplated by Section 2.4; and notwithstanding the principal amount of such Pledged Note, the holder or holders thereof shall only be entitled to that number of votes equal to the lesser of (i) the outstanding borrowings secured by such Pledged Note at the time of calculation and (ii) the principal amount of such Pledged Note and interest accrued thereon.

2.4 Enforcement Request

The Trustee (on behalf of the Holders of Notes and when so authorized pursuant to Section 9.2(a)) or any Holder of a Pledged Note (when so authorized pursuant to the relevant instrument of Pledge) may enforce its rights under the Indenture and any or all of the Security Documents by sending an enforcement request notice (an "**Enforcement Request**") in writing to the Collateral Trustee in accordance with Section 16.3. The Trustee (on behalf of the Holders of Notes and if so authorized pursuant to Section 9.2(a)) and any Holder of a Pledged Note (to the extent such Holder has the right to do so under the relevant instrument of Pledge), as applicable, may elect to participate in the instruction of the Collateral Trustee in the exercise of the Collateral Trustee's rights under the Indenture or the applicable Security Documents (those Holders that so elect, together with the Holder or Holders on whose behalf the Enforcement Request was issued being the "**Enforcing Noteholders**"). Following the delivery of the original Enforcement Request, further instructions to the Collateral Trustee in respect of the enforcement of rights specified in the Enforcement Request shall be given in accordance with decisions made by a majority of the Enforcing Noteholders.

ARTICLE 3
THE NOTES

3.1 Issue and Designation of Notes; Ranking

The aggregate principal amount of Notes authorized to be issued and authenticated under this Indenture is unlimited, provided, however, that Notes may be issued under this Indenture only on and subject to the conditions and limitations in this Indenture. The Indebtedness evidenced by the Notes will be direct senior secured obligations of the Issuer secured by Liens on the Collateral, subject to Permitted Liens.

3.2 Issuance in Series

(a) Notes may be issued in one or more series from time to time pursuant to this Indenture and Supplemental Indentures delivered in accordance with the terms of this Indenture. The Notes of each series (i) will have such designation, (ii) may be subject to a limitation of the maximum principal amount authorized for issuance, (iii) will be issued in such denominations, (iv) may be purchased and payable as to principal, premium (if any) and interest at such place or places and in such currency or currencies, (v) will bear such date or dates and mature on such date or dates, (vi) will indicate the portion (if less than all of the principal amount) of such Notes to be payable on declaration of acceleration of Maturity, (vii) will bear interest at such rate or rates (which may be fixed or variable) payable on such date or dates, (viii) may contain mandatory or optional redemption or sinking fund provisions, including the period or periods within which, the price or prices at which and the terms and conditions upon which the Notes may be redeemed or purchased at the option of the Issuer or otherwise, (ix) may contain conversion or exchange terms, (x) will indicate the percentage of the principal amount (including any premium) at which Notes may be issued or redeemed, (xi) will set out each office or agency at which the principal of, premium (if any) and interest on the Notes will be payable, and the addresses of each office or agency at which the Notes may be presented for

registration of transfer or exchange, (xii) may contain covenants and events of default in addition to or in substitution for the covenants contained herein and the Events of Default, (xiii) may contain additional legends and/or provisions relating to the transfer and exchange of Notes in addition to those provided for herein, and (xiv) may contain such other provisions, not inconsistent with the provisions of this Indenture, as may be set forth in a Board Resolution passed at or before the time of the issue of the Notes of such series and such other provisions (to the extent as the Board of Directors may deem appropriate) as are contained in the Notes of such series. The execution by the Issuer of the Notes of such series and the delivery thereof to the Trustee for authentication will be conclusive evidence of the inclusion of the provisions authorized by this subsection.

(b) All Notes of any one series will be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to this Indenture, an Officers' Certificate or the Supplemental Indenture establishing such series. Not all Notes of any one series need to be issued at the same time, and, unless otherwise provided, Additional Notes of any series may be issued from time to time, at the option of the Issuer without the consent of any Holder.

(c) Before the creation of any series of Notes (other than the 2023 Notes, which terms are provided for in Article 4), the Issuer will execute and deliver to the Trustee a Supplemental Indenture for the purpose of establishing the terms of such series of Notes and the forms and denominations in which they may be issued, together with a Board Resolution authorizing the issuance of any such Notes. The Trustee will execute and deliver such Supplemental Indentures from time to time pursuant to Section 14.5.

(d) Whenever any series of Notes has been authorized, Notes in such series may from time to time be authenticated by the Issuer and delivered to the Trustee and, subject to Section 3.4, will be certified and delivered by the Trustee to or to the order of the Issuer upon receipt by the Trustee of:

(i) a Board Resolution authorizing the issuance of a specified principal amount of Notes of such series;

(ii) an Officers' Certificate to the effect that there is no existing Event of Default or event which with the giving of notice or passage of time or both would constitute an Event of Default and the Issuer has complied with all other conditions of this Indenture in connection with the issue of such series;

(iii) an Issuer Order for the authentication and delivery of such series of Notes specifying the principal amount of the Notes to be authenticated and delivered; and

(iv) an Opinion of Counsel addressed to the Trustee to the effect that all legal requirements imposed by this Indenture, any applicable Supplemental Indenture or by law governing the Notes in connection with the issuance, authentication and delivery of such series of Notes have been complied with subject to the delivery of certain documents or instruments specified in such opinion.

3.3 Form of Notes

(a) The Notes of any series and the Trustee's certificate of authentication shall be substantially in the form set out in the Supplemental Indenture establishing such series (or in the case of the 2023 Notes, in the form set out in Appendix A hereto), together with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture. Notes may have notations, legends or endorsements required by law, stock exchange rule or usage, which may include one or more of the legends set forth in Section 3.3(h) or Section 3.13 hereof or in a Supplemental Indenture. Each Note shall be dated the date of its authentication. Unless otherwise set out in the Supplemental Indenture establishing a series of Notes, Notes shall be issued in denominations of $1,000 and integral multiples of $1,000.

(b) The terms and provisions contained in the Notes and the Supplemental Indenture establishing each series of Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuer and the Trustee, by their execution and delivery of this Indenture and each applicable Supplemental Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(c) The Notes of any series may be in different denominations and forms and may contain such variations of tenor and effect, not inconsistent with the provisions of this Indenture, as are incidental to such differences of denomination and form, including variations in the provisions for the exchange of such Notes of different denominations or forms and in the provisions for the registration or transfer of such Notes.

(d) Subject to Section 3.3(a) and to any limitation as to the maximum principal amount of Notes of any particular series, any Notes may be issued as a part of any series of Notes previously issued, in which case they will bear the same designation and designating letters as those applied to such similar previous issue and will be numbered consecutively upwards in respect of such denominations of Notes in like manner and following the numbers of the Notes of such previous issue.

(e) All series of Notes which may at any time be issued under this Indenture and the certificate of the Trustee endorsed on such Notes may be in English or any other language or languages or any combination thereof, and may be in the form or forms provided in any Supplemental Indenture or in such other language or languages and in such form or forms as the Board of Directors determines at the time of first issue of any series of Notes, as approved by the Trustee, the approval of which will be conclusively evidenced by its authentication of such Notes.

(f) If any provision of any series of Notes in a language other than English is susceptible of an interpretation different from the equivalent provision of the English language, the interpretation of such provision in the English language will be determinative.

(g) Notes may be typed, engraved, printed, lithographed or reproduced in a different form, or partly in one form and partly in another, as the Issuer may determine. The execution of any such Notes by the Issuer and the authentication by the Trustee in accordance with Section 3.4 of any such Notes will be conclusive evidence that such Notes are Notes authorized by this Indenture.

(h) Each Note issued to, or for the account for benefit of, a U.S. Holder (other than an Original U.S. Holder), and each Note issued in exchange or substitution therefor, will be evidenced by a Definitive Note that bears the U.S. Legend (as defined below). The Notes have been and will not be registered under the U.S. Securities Act or under the securities laws of any of the states of the United States, and may not be offered, sold or otherwise disposed of by a U.S. Holder unless an exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable state securities laws is available or the Notes are the subject of an effective registration statement under the U.S. Securities Act. Each Definitive Note issued for the benefit or account of a U.S. Holder (other than an Original U.S. Holder), and each Definitive Note issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Issuer may prescribe from time to time (the "**U.S. Legend**"):

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "ISSUER"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER MUST FIRST BE PROVIDED TO ODYSSEY TRUST COMPANY AND TO THE ISSUER TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S.

SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided that, if the Notes are being sold outside the United States in compliance with Rule 904 of Regulation S and in compliance with applicable local securities laws and regulations, this U.S. Legend may be removed (or the Notes may be transferred to an unrestricted CUSIP) by the transferor providing a declaration to the Trustee and the Issuer in the form set forth in Appendix C or as the Issuer may prescribe from time to time, or such other evidence which may include an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Issuer; provided further, that, if any such Notes are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or in another transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the U.S. Legend may be removed (or the Notes may be transferred to an unrestricted CUSIP) by delivery to the Trustee and the Issuer of an opinion of counsel, of recognized standing, reasonably satisfactory to the Issuer, to the effect that such U.S. Legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws.

3.4 Execution, Authentication and Delivery of Notes

(a) All Notes shall be signed (either manually or by electronic or facsimile signature) by any authorized director or officer of the Issuer, holding office at the time of signing. An electronic or facsimile signature upon a Note shall for all purposes of this Indenture be deemed to be the signature of the individual whose signature it purports to be. Notwithstanding that any individual whose signature, either manual or in facsimile or other electronic means, appears on a Note as a director or officer may no longer hold such office at the date of the Note or at the date of the authentication and delivery thereof, such Note shall be valid and binding upon the Issuer and the Holder thereof shall be entitled to the benefits of this Indenture.

(b) No Notes will be entitled to any right or benefit under this Indenture or be valid or obligatory for any purpose unless such Notes have been authenticated by manual or electronic signature by or on behalf of the Trustee substantially in the form provided for herein or in the relevant Supplemental Indenture. Such authentication upon any Notes will be conclusive evidence, and the only evidence, that such Notes have been duly authenticated, issued and delivered and that the Holder is entitled to the benefits hereof.

(c) Subject to the terms of this Indenture, the Trustee shall from time to time authenticate one or more Notes (including Global Notes) for original issue on the issue date for any series of Notes upon and in accordance with an Issuer Order (an "**Authentication Order**"), without the Trustee receiving any consideration therefor. Each such Authentication Order shall specify the principal amount of such Notes to be authenticated and the date on which such Notes are to be authenticated. The aggregate principal amount of Notes outstanding at any time may not exceed

the aggregate principal amount specified in the Authentication Orders except as provided in Section 3.10. Except as provided in Section 7.10, there is no limit on the amount of Notes that may be issued hereunder.

(d) The certificate by or on behalf of the Trustee authenticating Notes will not be construed as a representation or warranty of the Trustee as to the validity of this Indenture or of any Notes or their issuance (except the due authentication thereof by the Trustee) or as to the performance by the Issuer of its obligations under this Indenture or any Notes and the Trustee will be in no respect liable or answerable for the use made of the proceeds of such Notes. The certificate by or on behalf of the Trustee on Notes issued under this Indenture will constitute a representation and warranty by the Trustee that such Notes have been duly authenticated by and on behalf of the Trustee pursuant to the provisions of this Indenture.

3.5 Registrar and Paying Agent

(a) The Issuer shall maintain for each series of Notes an office or agency where such Notes may be presented for registration of transfer or for exchange ("**Registrar**") and an office or agency where such Notes may be surrendered for payment ("**Paying Agent**"). The Registrar shall keep a register of such Notes and of their transfer and exchange.

(b) The Issuer may appoint one or more co-registrars and one or more additional paying agents for any series of Notes in such other locations as it shall determine. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Issuer may change any Paying Agent or Registrar without notice to any Holder. The Issuer will notify the Trustee in writing of the name and address of any Registrar or Paying Agent which is not a party to this Indenture. If the Issuer does not exercise its option to appoint or maintain another entity as Registrar or Paying Agent in respect of any series of Notes, the Trustee shall act as such. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar for any series of Notes. The Issuer initially appoints the Trustee at its corporate office in Vancouver, British Columbia to act as the Registrar, transfer agent, authentication agent and Paying Agent with respect to the Notes.

3.6 Paying Agent to Hold Money in Trust

The Issuer shall require each Paying Agent, other than the Trustee, to agree in writing that the Paying Agent will, and the Trustee when acting as Paying Agent agrees that it will, hold in trust, for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, and interest on the Notes of the relevant series and shall notify the Trustee of any default by the Issuer in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee and to account for any money disbursed by it. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Issuer or a Subsidiary) shall have no further liability for the money. If the Issuer or a Subsidiary of the Issuer acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of Holders all money held by it as Paying Agent; provided that upon any bankruptcy or reorganization proceedings relating to the Issuer, the Trustee shall serve as Paying Agent for each series of Notes.

3.7 Book Entry Only Notes

(a) Subject to Section 3.3(h) and Section 5.2(b) and the provisions of the Notes of any series or any Supplemental Indenture providing for the issuance thereof (including, in the case of the 2023 Notes, the provisions of Article 4), Notes shall be issued initially as Book Entry Only Notes represented by one or more Global Notes. Each Global Note authenticated in accordance with this Indenture and any Supplemental Indenture shall be registered in the name of the Depository designated for such Global Note or a nominee thereof and deposited with such Depository or a nominee thereof or custodian therefor, and each such Global Note shall constitute a single Note for all purposes of this Indenture and the applicable Supplemental Indenture. Beneficial interests in a Global Note will not be shown on the register or the records maintained by the Depository but will be represented through book entry accounts of Participants on behalf of the Beneficial Holders of such Global Note in accordance with the rules and procedures of the Depository. None of the Issuer or the Trustee shall have any responsibility or liability for any aspects of the records relating to or payments made by any Depository on account of the beneficial interest in any Global Notes or for maintaining, reviewing or supervising any records relating to such beneficial interests therein. Except as otherwise provided in this Indenture or any Supplemental Indenture in respect of a series of Notes, Beneficial Holders of Global Notes shall not be entitled to have Notes registered in their names, shall not receive or be entitled to receive Definitive Notes and shall not be considered owners or holders thereof under this Indenture or any Supplemental Indenture. Nothing herein or in a Supplemental Indenture shall prevent the Beneficial Holders from voting Global Notes using duly executed voting instruction forms.

(b) Every Note authenticated and delivered upon registration or transfer of a Global Note, or in exchange for or in lieu of a Global Note or any portion thereof, shall be authenticated and delivered in the form of, and shall be, a Global Note, unless such Note is registered in the name of a Person other than the Depository for such Global Notes or a nominee thereof.

3.8 Global Notes

Notes issued to a Depository in the form of Global Notes shall be subject to the following in addition to the provisions of Section 5.2, unless and until Definitive Notes have been issued to Beneficial Holders pursuant to Section 5.2(b):

(a) the Trustee may deal with such Depository as the authorized representative of the Beneficial Holders of such Notes;

(b) the rights of the Beneficial Holders of such Notes shall be exercised only through such Depository and the rights of Beneficial Holders shall be limited to those established by applicable law and agreements between the Depository and the Participants and between such Participants and Beneficial Holders, and must be exercised through a Participant in accordance with the rules and procedures of the Depository;

(c) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Holders evidencing a specified percentage of the outstanding Notes of any series, the Depository shall be deemed to be counted in that percentage to the extent that it has received instructions to such effect from Beneficial Holders or Participants;

(d) such Depository will make book-entry transfers among the direct Participants of such Depository and will receive and transmit distributions of principal, premium and interest on the Notes to such direct Participants for subsequent payment to the Beneficial Holders thereof;

(e) the direct Participants of such Depository shall have no rights under this Indenture or under or with respect to any of the Notes held on their behalf by such Depository, and such Depository may be treated by the Trustee and its agents, employees, officers and directors as the absolute owner of the Notes represented by such Global Notes for all purposes whatsoever;

(f) whenever a notice or other communication is required to be provided to Holders in connection with this Indenture or the Notes, the Trustee shall provide all such notices and communications to the Depository for subsequent delivery of such notices and communications to the Beneficial Holders in accordance with Applicable Securities Legislation and the procedures of the Depository; and

(g) notwithstanding any other provision of this Indenture, all payments in respect of Notes issuable in the form of or represented by a Global Note shall be made to the Depository or its nominee for subsequent payment by the Depository or its nominee to the Beneficial Holders thereof. Upon payment over to the Depository, the Trustee, if acting as the Paying Agent, shall have no further liability for the money.

3.9 Interim Notes

Pending the delivery of Definitive Notes of any series to the Trustee, the Issuer may issue and the Trustee authenticate in lieu thereof (but subject to the same provisions, conditions and limitations as set forth in this Indenture) interim printed, mimeographed or typewriter Notes in such forms and in such denominations and signed in such manner as provided herein, entitling the holders thereof to Definitive Notes of such series when the same are ready for delivery; or the Issuer may execute and deliver to the Trustee and the Trustee authenticate a temporary Note for the whole principal amount of Notes of such series then authorized to be issued hereunder and thereupon the Trustee may issue its own interim certificates in such form and in such amounts, not exceeding in the aggregate the principal amount of the temporary Note so delivered to it, as the Issuer and the Trustee may approve entitling the holders thereof to Definitive Notes when the same are ready for delivery; and, when so issued and certified, such interim or temporary Notes or interim certificates shall, for all purposes but without duplication, rank in respect of this Indenture equally with Notes of such series duly issued hereunder and, pending the exchange thereof for Definitive Notes of

such series, the holders of the interim or temporary Notes or interim certificates shall be deemed without duplication to be Holders of such series and entitled to the benefit of this Indenture to the same extent and in the same manner as though the said exchange had actually been made. Forthwith after the Issuer shall have delivered the Definitive Notes of such series to the Trustee, the Trustee shall call in for exchange all temporary or interim Notes of such series or certificates that shall have been issued and forthwith after such exchange shall cancel the same. No charge shall be made by the Issuer or the Trustee to the holders of such interim or temporary Notes or interim certificates for the exchange thereof.

3.10 Mutilation, Loss, Theft or Destruction

In case any of the Notes issued hereunder shall become mutilated or be lost, stolen or destroyed, the Issuer, in its discretion, may issue, and thereupon the Trustee shall authenticate and deliver, a new Note upon surrender and cancellation of the mutilated Note, or in the case of a lost, stolen or destroyed Note, in lieu of and in substitution for the same, and the substituted Note shall be in a form approved by the Trustee and shall entitle the Holder thereof to the benefits of this Indenture and shall rank equally in accordance with its terms with all other Notes of such series issued or to be issued hereunder. In case of loss, theft or destruction the applicant for a substituted Note shall furnish to the Issuer and to the Trustee such evidence of the loss, theft or destruction of the Note as shall be satisfactory to them in their discretion and shall also furnish an indemnity and surety bond satisfactory to them in their discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Note.

3.11 Concerning Interest

(a) All Notes of each series issued hereunder, whether originally or upon exchange or in substitution for previously issued Notes (including for certainty Notes issued under Sections 3.9 and 3.10), shall bear interest (i) from and including their respective issue date, or (ii) from and including the last Interest Payment Date therefor to which interest shall have been paid or made available for payment on such outstanding Notes, whichever shall be the later, in all cases, to and excluding the next Interest Payment Date therefor.

(b) Subject to accrual of any interest on unpaid interest from time to time, interest on a Note of any series will cease to accrue from the Maturity of such Note (including, for certainty, if such Note was called for redemption, the Redemption Date); unless upon due presentation and surrender of such Note for payment on or after the Maturity thereof, such payment is improperly withheld or refused.

(c) If the date for payment of any amount of principal, premium or interest in respect of a Note of any series is not a Business Day at the place of payment, then payment thereof will be made on the next Business Day and the Holder of such Note will not be entitled to any further interest on such principal, or to any interest on such interest, premium or other amount so payable, in respect of the period from the date for payment to such next Business Day.

(d) The Holder of any Note of any series at the close of business on any Record Date applicable to a particular series with respect to any Interest Payment Date for such

series shall be entitled to receive the interest, if any, payable on such Interest Payment Date notwithstanding any transfer or exchange of such Note subsequent to such Record Date and prior to such Interest Payment Date, except if and to the extent the Issuer shall default in the payment of the interest due on such Interest Payment Date for such series, in which case such defaulted interest shall be paid to the Holder of such Note as at the close of business on a subsequent Record Date (which shall be not less than two Business Days prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Issuer to the Holders of all affected Notes not less than 15 days preceding such subsequent Record Date. The term "**Record Date**" as used with respect to any Interest Payment Date (except a date for payment of defaulted interest) for the Notes of any series shall mean the date specified as such in the terms of the Notes of such series established as contemplated by Section 3.2, and in respect of the 2023 Notes, shall have the meaning specified in Section 4.1.

(e) Wherever in this Indenture, any Supplemental Indenture or any Note there is mention, in any context, of the payment of interest, such mention is deemed to include the payment of interest on amounts in default to the extent that, in such context, such interest is, was or would be payable pursuant to this Indenture, the Supplemental Indenture or the Note, and express mention of interest on amounts in default in any of the provisions of this Indenture will not be construed as excluding such interest in those provisions of this Indenture where such express mention is not made.

(f) Unless otherwise specifically provided in this Indenture or the terms of any Note, interest on Notes of any series shall be computed on the basis of a year of 365 days or 366 days, as applicable. With respect to any series of Notes, whenever interest is computed on the basis of a year (the "**deemed year**") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

3.12 Payments of Amounts Due on Maturity

(a) Subject to Section 3.12(b), the following provisions shall apply to all Notes, except as otherwise specified in a Supplemental Indenture relating to a particular series of Notes (and, in the case of the 2023 Notes, Article 4):

(i) in the case of fully registered Notes, the Issuer shall establish and maintain with the Paying Agent a Maturity Account for each series of Notes. On or before 11:00 a.m. (Toronto time) on the Business Day prior to the Stated Maturity date for each series of Notes outstanding from time to time under this Indenture, the Issuer shall deposit in the applicable Maturity Account by wire transfer or certified cheque an amount sufficient to pay all amounts payable in respect of the outstanding Notes of such series (less any Taxes required by law to be deducted or withheld therefrom). The Paying Agent will pay to each Holder of such Notes entitled to receive payment, the

principal amount of, and premium (if any) on, such Notes, upon surrender of such Notes to the Paying Agent or at any branch of the Trustee designated for such purpose from time to time by the Issuer and the Trustee. The deposit or making available of such amounts into the applicable Maturity Account will satisfy and discharge the liability of the Issuer for such Notes to which the deposit or making available of funds relates to the extent of the amount deposited or made available (plus the amount of any Taxes deducted or withheld as aforesaid) and such Notes will thereafter not be considered as outstanding under this Indenture to such extent and such Holder will have no other right than to receive out of the money so deposited or made available the amount to which it is entitled. Failure to make a deposit or make funds available as required to be made pursuant to this Section 3.12(a)(i) will constitute Default in payment on the Notes in respect of which the deposit or making available of funds was required to have been made; and

(ii) in the case of any series of Notes issued and outstanding in the form of or represented by Global Notes, on or before 11:00 a.m. (Toronto time) on the Business Day prior to the Stated Maturity date for such Notes, the Issuer shall deliver to the Trustee, for onward payment to the Depository, in each case by electronic funds transfer, an amount sufficient to pay the amount payable in respect of such Global Notes (less any Taxes required by law to be deducted or withheld therefrom). The Issuer shall pay to the Trustee, for onward payment to the Depository, the principal amount of, and premium (if any) on, such Global Notes, against receipt of the relevant Global Notes. The delivery of such electronic funds to the Trustee for onward payment to the Depository will satisfy and discharge the liability of the Issuer for the series of Notes to which the electronic funds relates to the extent of the amount deposited or made available (plus the amount of any Taxes deducted or withheld as aforesaid) and such Notes will thereafter not be considered as outstanding under this Indenture unless such electronic funds transfer is not received. Failure to make delivery of funds available as required pursuant to this Section 3.12(a)(ii) will constitute Default in payment on the Notes of the series in respect of which the delivery or making available of funds was required to have been made.

(b) Notwithstanding Section 3.12(a), all payments in excess of $25,000,000 (or such other amount as determined from time to time by the Canadian Payments Association or any successor thereto) shall be made by the use of the LVTS. Neither the Trustee nor the Paying Agent shall have any obligation to disburse funds pursuant to Section 3.12(a)(i) unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable on the applicable date of Maturity. The Paying Agent shall, if it accepts any funds received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.

3.13 Legends on Notes

(a) Each Global Note shall bear a legend in substantially the following form, subject to such modification as required by the applicable Depository (the "**Global Note Legend**"):

"THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THIS INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR NOTES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THIS INDENTURE. EVERY NOTE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE SHALL BE A GLOBAL NOTE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THIS INDENTURE.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO COLUMBIA CARE INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THIS NOTE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS NOTE."

(b) Prior to the issuance of Notes of any series, the Issuer shall notify the Trustee, in writing, concerning which Notes are to be certificated and are to bear the legend or legends described in this Section 3.13.

3.14 Payment of Interest

The following provisions shall apply to Notes of each series, except as otherwise specified in a Supplemental Indenture relating to a particular series of Notes (and, in the case of the 2023 Notes, Article 4):

(a) As interest becomes due on each fully registered Note (except on redemption thereof, when interest may at the option of the Issuer be paid upon surrender of such Note), the Issuer, either directly or through the Trustee or any agent of the Trustee, shall send or forward by prepaid ordinary mail, electronic transfer of funds or such

other means as may be agreed to by the Trustee, payment of such interest including any Additional Amounts (less any Taxes required by law to be deducted or withheld therefrom) to the Holders of record on the Record Date immediately preceding the applicable Interest Payment Date. If payment is made by cheque, such cheque shall be forwarded at least two days prior to each Interest Payment Date and if payment is made by other means (such as electronic transfer of funds, provided the Trustee must receive confirmation of receipt of funds prior to being able to wire funds to Holders), such payment shall be made in a manner whereby the Holder receives credit for such payment on the Interest Payment Date. The mailing of such cheque or the making of such payment by other means shall, to the extent of the sum represented thereby, plus the amount of any Taxes deducted or withheld as aforesaid, satisfy and discharge all liability for interest including any Additional Amounts on such Note to such extent, unless in the case of payment by cheque, such cheque is not paid at par on presentation. In the event of non-receipt of any cheque for or other payment of interest by the Person to whom it is so sent as aforesaid, the Issuer shall issue to such Person a replacement cheque or other payment for a like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if the Issuer is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on any Note in the manner provided above, the Issuer may make payment of such interest or make such interest available for payment in any other manner acceptable to the Trustee with the same effect as though payment had been made in the manner provided above. If payment is made through the Trustee, by 11:00 a.m. (Toronto time) at least one Business Day prior to the related Interest Payment Date for a Note or to the date of mailing the cheques for the interest due on such Interest Payment Date for such Note, whichever is earlier, the Issuer shall deliver sufficient funds to the Trustee by electronic transfer or certified cheque or make such other arrangements for the provision of funds as may be agreeable between the Trustee and the Issuer in order to effect such interest payment hereunder.

(b) So long as the Notes of any series or any portion thereof are issued in the form of or represented by a Global Note, then all payments of interest on such Global Note shall be made by 11:00 a.m. (Toronto time) at least one Business Day prior to the related Interest Payment Date by electronic funds transfer made payable to the Trustee for subsequent payment to the Depository on behalf of the Beneficial Holders of the applicable interests in that Global Note, unless the Issuer and the Trustee agree.

(c) Notwithstanding Sections 3.14(a) and 3.14(b), all payments in excess of $25,000,000 (or such other amount as determined from time to time by the Canadian Payments Association or any successor thereto) shall be made by the use of the LVTS. Neither the Trustee nor Paying Agent, as applicable, shall have any obligation to disburse funds in respect of any Note pursuant to Section 3.14(a) unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable

with respect to such Interest Payment Date for such Note. The Trustee or Paying Agent, as applicable, shall, if it accepts any funds received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.

3.15 Record of Payment

The Trustee will maintain accounts and records evidencing any payment, by it or any other Paying Agent on behalf of the Issuer, of principal, premium (if any) and interest in respect of Notes of each series, which accounts and records will constitute, in the absence of manifest error, prima facie evidence of such payment.

3.16 Representation Regarding Third Party Interest

The Issuer hereby represents to the Trustee that any account to be opened by, or interest to be held by, the Trustee in connection with this Indenture, for or to the credit of the Issuer, either (a) is not intended to be used by or on behalf of any third party; or (b) is intended to be used by or on behalf of a third party, in which case the Issuer hereby agrees to complete, execute and deliver forthwith to the Trustee a declaration, in the Trustee's prescribed form or in such other form as may be reasonably satisfactory to it, as to the particulars of such third party.

ARTICLE 4
TERMS OF THE 2023 NOTES

4.1 Definitions

In this Article 4 and in the Notes, the following terms have the following meanings:

"**2023 Note Account**" means any account which is designated in writing to the Trustee as the 2023 Note Account from time to time.

"**2023 Note Maturity Date**" has the meaning given to it in Section 4.5.

"**2023 Record Date**" means the close of business on November 14 and May 14 immediately preceding the relevant Interest Payment Date.

"**Additional 2023 Notes**" means any 2023 Notes issued under and pursuant to the terms of and subject to the conditions of this Indenture after the Initial Issue Date.

"**Interest Payment Date**" for the purposes of this Article 4 means May 31 and November 30 of each year that the 2023 Notes are outstanding and (except in respect of any Additional 2023 Notes) commencing on November 30, 2020.

"**Interest Period**" means the period commencing on the later of (a) the date of issue of the 2023 Notes and (b) the immediately preceding Interest Payment Date on which interest has been paid, and ending on the day immediately preceding the Interest Payment Date in respect of which interest is payable.

4.2 Creation and Designation of the 2023 Notes

In accordance with this Indenture, the Issuer is authorized to issue a series of Notes designated "13% Senior Secured Notes due May 14, 2023".

4.3 Aggregate Principal Amount

The aggregate principal amount of 2023 Notes which may be issued under this Indenture is unlimited, *provided, however,* that the maximum principal amount of 2023 Notes initially issued hereunder on the Issue Date shall be US$34,340,000. The Issuer may, from time to time, without the consent of any existing Holders but subject to Section 7.10, create and issue Additional 2023 Notes hereunder having the same terms and conditions as the 2023 Notes in all respects, except for the date of issuance, issue price and first payment of interest thereon. Additional 2023 Notes so created and issued will be consolidated with and form a single series with the 2023 Notes.

4.4 Authentication

The Trustee shall initially authenticate one or more Global Notes and/or Definitive Notes, as instructed by the Issuer in the Authentication Order, for original issue on the Initial Issue Date in an aggregate principal amount of up to US$34,340,000 or otherwise to permit transfers or exchanges in accordance with Section 5.6 upon receipt by the Trustee of a duly executed Authentication Order. After the Initial Issue Date, subject to Section 4.3, the Issuer may issue, from time to time, and the Trustee shall authenticate upon receipt of an Authentication Order, Additional 2023 Notes for original issue. Except as provided in Section 7.10, there is no limit on the amount of Additional 2023 Notes that may be issued hereunder. Each such Authentication Order shall specify the principal amount of 2023 Notes to be authenticated and the date on which such 2023 Notes are to be authenticated. The aggregate principal amount of 2023 Notes outstanding at any time may not exceed the aggregate principal amount specified in the Authentication Orders provided in respect of original issues of 2023 Notes except as provided in Section 3.10. For certainty, the Trustee shall not be obligated or liable to ensure that the Issuer is in compliance with the limitations in Section 7.10, and shall be entitled to rely on an Officers' Certificate from the Issuer certifying such compliance for any Additional 2023 Notes so issued.

4.5 Date of Issue and Maturity

The Initial 2023 Notes will be dated May 14, 2020 and the 2023 Notes will become due and payable, together with all accrued and unpaid interest thereon, on May 14, 2023 (the "**2023 Note Maturity Date**"). Notwithstanding the foregoing and provided the Issuer is not in Default, the Issuer may, in its sole discretion, extend the 2023 Note Maturity Date to May 14, 2024 at any time upon 30 days notice, by mailing or electronically transmitting a notice to the Trustee and Holders (the "**Extension Notice**") of its intention to extend the 2023 Note Maturity Date. Upon sending the Extension Notice, the 2023 Note Maturity Date shall be deemed to be May 14, 2024 without any further action on the part of the Issuer or the Trustee.

4.6 Interest

(a) The 2023 Notes will bear interest on the unpaid principal amount thereof at the rate of 13% per annum from their respective Issue Date to, but excluding, the 2023 Note

Maturity Date, compounded semi-annually and payable in arrears on each Interest Payment Date. The first Interest Payment Date for the Initial 2023 Notes will be November 30, 2020.

(b) Interest will be payable in respect of each Interest Period (after, as well as before, the 2023 Note Maturity Date, default and judgment, with interest overdue on principal and interest at a rate that is 1% higher than the applicable rate on the 2023 Notes) on each Interest Payment Date in accordance with Section 3.11 and Section 3.14. Interest on the 2023 Notes will accrue from their respective Issue Date or, if interest has already been paid, from and including the last Interest Payment Date therefor to which interest has been paid or made available for payment. Interest will be computed on the basis of a 365-day or 366-day year, as applicable, and will be payable in equal semi-annual amounts; except that interest in respect of any period that is shorter than a full semi-annual interest period will be computed on the basis of a 365-day or 366-day year, as applicable, and the actual number of days elapsed in that period.

4.7 Optional Redemption

(a) At any time prior to May 14, 2022, the Issuer may, on any one or more occasions, redeem all or any part of the Notes, upon not less than 15 nor more than 60 days' notice, at a Redemption Price equal to 100% of the aggregate principal amount of the 2023 Notes redeemed plus the Applicable Premium and accrued and unpaid interest, if any, to but excluding the date of redemption (subject to the right of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date).

(b) At any time prior to May 14, 2022, the Issuer may, on one or more occasions, redeem up to 35% of the aggregate principal amount of 2023 Notes issued under this Indenture (including any Additional 2023 Notes), upon not less than 15 days' nor more than 60 days' notice, at a Redemption Price of 113% of the principal amount thereof, plus accrued and unpaid interest to the Redemption Date, subject to the rights of Holders on the relevant Record Date to receive interest on the relevant Interest Payment Date, with the net cash proceeds of one or more Equity Offerings; provided that:

(i) 2023 Notes in an aggregate principal amount equal to at least 65% of the aggregate principal amount of 2023 Notes issued under this Indenture (excluding any Additional 2023 Notes) remain outstanding immediately after the occurrence of such redemption (excluding 2023 Notes held by the Issuer or its Affiliates); and

(ii) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

(c) Except pursuant to Sections 4.7(a) and 4.7(b), the 2023 Notes will not be redeemable at the Issuer's option prior to May 14, 2022.

(d) On or after May 14, 2022, the Issuer may, on any one or more occasions, redeem all or any part of the 2023 Notes, upon not less than 15 nor more than 60 days' notice, at a Redemption Price equal to 101% of the principal amount of the 2023 Notes redeemed, plus accrued and unpaid interest, if any, to but excluding the Redemption Date (subject to the rights of Holders on the relevant Record Date to receive interest on the relevant Interest Payment Date).

(e) Unless otherwise specifically provided in this Section 4.7, the terms of Article 6 shall apply to the redemption of any 2023 Notes and in the event of any inconsistency, the terms of this Section 4.7 shall prevail.

4.8 Optional Redemption for Changes in Withholding Taxes

If (i) a Payor becomes, or will become, obligated to pay, on the next date on which any amount may be payable with respect to the Notes, any Additional Amounts as a result of a change (or a change in legislation proposed by the Minister of Finance of Canada or any similar authority that, if enacted, will be effective prior to the enactment date) in or amendment to the laws, regulations or rulings of any Relevant Taxing Jurisdiction, or any change in official position regarding the application or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction), which is publicly announced or becomes effective on or after the date of the Offering Memorandum (or, if the Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a later date, after such later date) and (ii) the payment of such Additional Amounts cannot (as certified in an Officers' Certificate to the Trustee) be avoided by the use of reasonable measures available to the Issuer, then the Issuer may, at its option, redeem the Notes then outstanding, in whole but not in part, upon not less than 30 nor more than 60 days' notice (such notice to be provided not more than 90 days before the next date on which the Payor would be obligated to pay Additional Amounts), at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to but excluding the Redemption Date (subject to the right of holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date). Notice of the Issuer's intent to redeem the Notes shall not be effective until such time as it delivers to the Trustee an Opinion of Counsel stating that the Payor is or will become obligated to pay Additional Amounts because of any change or amendment described in this Section 4.8.

4.9 Mandatory Redemption and Market Purchases

(a) The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the 2023 Notes; provided, however, that the Issuer may be required to offer to purchase the 2023 Notes pursuant to Sections 7.14 and 7.15.

(b) The Issuer or any of its Subsidiaries may at any time and from time to time purchase 2023 Notes by tender offer, open market purchases, negotiated transactions, private agreement or otherwise at any price in accordance with Applicable Securities Legislation, so long as such acquisition does not violate the terms of this Indenture.

4.10 Form and Denomination of the 2023 Notes

(a) The 2023 Notes will be issued at an issue price of $1,000 per $1,000 of principal amount (and integral multiples of $1,000).

(b) Subject to Section 5.2(b), other than with respect to certain Holders who will receive definitive certificates for the 2023 Notes, the 2023 Notes will be issuable as Global Notes, substantially in the form set out in Appendix A hereto with such changes as may be reasonably required by the Depository and any other changes as may be approved or permitted by the Issuer, in each case which changes are not prejudicial to the Holders or Beneficial Holders of 2023 Notes, and with such approval in each case to be conclusively deemed to have been given by the officers of the Issuer executing the same in accordance with Article 2.

4.11 Currency of Payment

The principal of, and interest and premium (if any) on, the 2023 Notes will be payable in United States dollars.

4.12 Additional Amounts

(a) All payments made by or on behalf of the Issuer under or with respect to the Notes, or by or on behalf of any Guarantor under or with respect to any Subsidiary Guarantee, will be made free and clear of and without withholding or deduction for or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (hereinafter, "**Taxes**") imposed or levied by or on behalf of any jurisdiction in which the Issuer or any such Guarantor (each such Person, a "**Payor**") is organized, resident or carrying on business for tax purposes or from or through which such Payor (or its agents) makes any payment on the Notes or any Subsidiary Guarantee, or any department or political subdivision thereof (each, a "**Relevant Taxing Jurisdiction**"), unless such Person is required to withhold or deduct Taxes by law or by the interpretation or administration thereof. If a Payor is so required to withhold or deduct any amount of interest for or on account of Taxes from any payment made under or with respect to the Notes or any Subsidiary Guarantee, such Payor will pay such additional amounts of interest ("**Additional Amounts**") as may be necessary so that the net amount received by each holder (including Additional Amounts) after such withholding or deduction will not be less than the amount the holder would have received if such Taxes had not been withheld or deducted; provided that no Additional Amounts will be payable with respect to a payment made to a holder (an "**Excluded Holder**"):

(i) which is subject to such Taxes by reason of any connection between such holder and the Relevant Taxing Jurisdiction other than the mere holding of Notes or the receipt of payments thereunder;

(ii) which failed to duly and timely comply with a timely request of the Issuer to provide information, documents, certification or other evidence concerning such holder's nationality, residence, entitlement to treaty

benefits, identity or connection with the Relevant Taxing Jurisdiction, if and to the extent that due and timely compliance with such request would have resulted in the reduction or elimination of any Taxes as to which Additional Amounts would have otherwise been payable to such holder of Notes but for this clause (ii);

(iii) which is a fiduciary, a partnership or not the beneficial owner of any payment on a Note, if and to the extent that, as a result of an applicable tax treaty, no Additional Amounts would have been payable had the beneficiary, partner or beneficial owner owned the Note directly (but only if there is no material cost or expense associated with transferring such Note to such beneficiary, partner or beneficial owner and no restriction on such transfer that is outside the control of such beneficiary, partner or beneficial owner);

(iv) to the extent that the Taxes required to be withheld or deducted are imposed pursuant to sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (and any amended or successor version that is substantially comparable), and any regulations or other official guidance thereunder or agreements (including any intergovernmental agreements or any laws, rules or practices implementing such intergovernmental agreements) entered into in connection therewith; or

(v) any combination of the foregoing clauses of this proviso.

(b) The applicable Payor will (a) make any required withholding or deduction and (b) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Issuer will furnish to the holders of the Notes, within 30 days after the date the payment of any Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by the applicable Payor.

(c) The Payors will indemnify and hold harmless each holder (other than all Excluded Holders) for the amount of (i) any Taxes not withheld or deducted by the Payors and levied or imposed and paid by such holder as a result of payments made under or with respect to the Notes or the Subsidiary Guarantees, (ii) any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, and (iii) any Taxes imposed with respect to any reimbursement under clauses (i) or (ii) above.

(d) At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable, if any Payor is aware that it will be obligated to pay Additional Amounts with respect to such payment, the Issuer will deliver to the Trustee an Officers' Certificate stating the fact that such Additional Amounts will be payable, the amounts so payable and will set forth such other information necessary to enable the Trustee to pay such Additional Amounts to holders on the payment date. Whenever in this Indenture there is mentioned, in any context, the payment of principal (and premium, if any), interest or any other amount payable

under or with respect to any Note, such mention shall be deemed to include mention of the payment of Additional Amounts provided for in this section to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

(e) The obligations described under this Section 4.12 will survive any termination, defeasance or discharge of this Indenture and will apply *mutatis mutandis* to any successor Person and to any jurisdiction in which such successor is organized or is otherwise resident or doing business for tax purposes or any jurisdiction from or through which payment is made by such successor or its respective agents.

4.13 Appointment

(a) The Trustee will be the trustee for the 2023 Notes, subject to Article 13.

(b) The Issuer initially appoints CDS to act as Depository with respect to the 2023 Notes.

(c) The Issuer initially appoints the Trustee at its corporate office in Vancouver, British Columbia to act as the Registrar, transfer agent, authentication agent and Paying Agent with respect to the 2023 Notes. The Issuer may change the Registrar, transfer agent, authentication agent or Paying Agent for the 2023 Notes at any time and from time to time without prior notice to the Holders of the 2023 Notes.

4.14 Inconsistency

In the case of any conflict or inconsistency between this Article 4 and any other provision of this Indenture, Article 4 shall, as to the 2023 Notes, govern and prevail.

4.15 Reference to Principal, Premium, Interest, etc.

Whenever this Indenture refers to, in any context, the payment of principal, Called Principal, premium, if any, interest or any other amount payable under or with respect to any Note, such reference shall include the payment of Additional Amounts or indemnification payments as described hereunder, if applicable.

ARTICLE 5
REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

5.1 Register of Certificated Notes

(a) Subject to the terms of any Supplemental Indenture, with respect to each series of Notes issuable in whole or in part as registered Notes, the Issuer shall cause to be kept by and at the principal office of the Trustee in Vancouver, British Columbia or by such other Registrar as the Issuer, with the approval of the Trustee, may appoint at such other place or places, if any, as may be specified in the Notes of such series or as the Issuer may designate with the approval of the Trustee, a register in which shall be entered the names and addresses of the Holders and particulars of

the Notes held by them respectively and of all transfers of Notes. Such registration shall be noted on the relevant Notes by the Trustee or other Registrar unless a new Note shall be issued upon such transfer.

(b) No transfer of a registered Note shall be valid unless made on such register referred to in Section 5.1(a) by the Holder or such Holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Trustee or other Registrar upon surrender of the Notes together with a duly executed form of transfer acceptable to the Trustee or other Registrar and upon compliance with such other reasonable requirements as the Trustee or other Registrar may prescribe, and unless the name of the transferee shall have been noted on the Note by the Trustee or other Registrar.

5.2 Global Notes

(a) With respect to Notes issuable as or represented by, in whole or in part, one or more Global Notes, the Issuer shall cause to be kept by and at the principal office of the Trustee in Vancouver, British Columbia or by such other Registrar as the Issuer, with the approval of the Trustee, may appoint at such other place or places, if any, as the Issuer may designate with the approval of the Trustee, a register in which shall be entered the name and address of the Holder of each such Global Note (being the Depository, or its nominee, for such Global Note) and particulars of the Global Note held by it, and of all transfers thereof. If any Notes are at any time not Global Notes, the provisions of Section 5.1 shall govern with respect to registrations and transfers of such Notes.

(b) Notwithstanding any other provision of this Indenture, a Global Note may not be transferred by the Holder thereof and, accordingly, subject to Section 5.6, no Definitive Notes of any series shall be issued to Beneficial Holders except in the following circumstances or as otherwise specified in any Supplemental Indenture, a resolution of the Trustee, a Board Resolution or an Officers' Certificate:

(i) Definitive Notes may be issued to Beneficial Holders at any time after:

(A) the Issuer has determined that CDS (1) is unwilling or unable to continue as Depository for Global Notes, or (2) ceases to be eligible to be a Depository, and, in each case the Issuer is unable to locate a qualified successor to its reasonable satisfaction;

(B) the Issuer has determined, in its sole discretion, or is required by law, to terminate the book-entry only registration system in respect of such Global Notes and has communicated such determination or requirement to the Trustee in writing, or the book-entry system ceases to exist; or

(C) the Trustee has determined that an Event of Default has occurred and is continuing with respect to Notes issued as Global Notes, provided that Beneficial Holders representing, in the aggregate, not

less than 51% of the aggregate outstanding principal amount of the Notes of the affected series advise the Depository in writing, through the Participants, that the continuation of the book-entry only registration system for the Notes of such series is no longer in their best interests; and

(ii) Global Notes may be transferred (A) if such transfer is required by applicable law, as determined by the Issuer and Counsel, or (B) by a Depository to a nominee of such Depository, or by a nominee of a Depository to such Depository, or to another nominee of such Depository, or by a Depository or its nominee to a successor Depository or its nominee.

(c) Upon the termination of the book-entry only registration system on the occurrence of one of the conditions specified in Section 5.2(b)(i) or upon the transfer of a Global Note to a Person other than a Depository or a nominee thereof in accordance with Section 5.2(b)(i)(A), the Trustee shall notify all Beneficial Holders, through the Depository, of the availability of Definitive Notes for such series. Upon surrender by the Depository of the Global Notes in respect of any series and receipt of new registration instructions from the Depository, the Trustee shall deliver the Definitive Notes of such series to the Beneficial Holders thereof in accordance with the new registration instructions and thereafter, the registration and transfer of such Notes will be governed by Section 5.1 and the remaining provisions of this Article 5.

(d) It is expressly acknowledged that a transfer of beneficial ownership in a Note of any series issuable in the form of or represented by a Global Note will be effected only (a) with respect to the interests of participants in the Depository ("**Participants**"), through records maintained by the Depository or its nominee for the Global Note, and (b) with respect to interests of Persons other than Participants, through records maintained by Participants. Beneficial Holders who are not Participants but who desire to purchase, sell or otherwise transfer ownership of or other interest in Notes represented by a Global Note may do so only through a Participant.

5.3 Transferee Entitled to Registration

The transferee of a Note shall be entitled, after the appropriate form of transfer is deposited with the Trustee or other Registrar and upon compliance with all other conditions for such transfer required by this Indenture or by law, to be entered on the register as the owner of such Note free from all equities or rights of set-off or counterclaim between the Issuer and the transferor or any previous Holder of such Note, save in respect of equities of which the Issuer is required to take notice by law (including any statute or order of a court of competent jurisdiction).

5.4 No Notice of Trusts

None of the Issuer, the Trustee and any Registrar or Paying Agent will be bound to take notice of or see to the performance or observance of any duty owed to a third Person, whether under a trust, express, implied, resulting or constructive, in respect of any Note by the Holder or any Person

whom the Issuer or the Trustee treats, as permitted or required by law, as the owner or the Holder of such Note, and may transfer the same on the direction of the Person so treated as the owner or Holder of the Note, whether named as Trustee or otherwise, as though that Person were the Beneficial Holder thereof.

5.5 Registers Open for Inspection

The registers referred to in Sections 5.1 and 5.2 shall, subject to applicable law, at all reasonable times be open for inspection by the Issuer, the Trustee or any Holder. Every Registrar, including the Trustee, shall from time to time when requested so to do by the Issuer or by the Trustee, in writing, furnish the Issuer or the Trustee, as the case may be, with a list of names and addresses of Holders entered on the registers kept by them and showing the principal amount and serial numbers of the Notes held by each such Holder, provided the Trustee shall be entitled to charge a reasonable fee to provide such a list.

5.6 Transfers and Exchanges of Notes

(a) **Transfer and Exchange of Global Notes.** A Global Note may be transferred in whole and not in part only pursuant to Section 5.2(b)(ii). A beneficial interest in a Global Note may not be exchanged for a Definitive Note other than pursuant to Section 5.2(b)(i). A Global Note may not be exchanged for another Note other than as provided in this Section 5.6(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 5.6(b) or 5.6(c), as applicable.

(b) **Transfer and Exchange of Beneficial Interests in the Global Notes.** The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depository, in accordance with the provisions of this Indenture, applicable laws and the Applicable Procedures. In connection with a transfer and exchange of beneficial interest in Global Notes, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or a Beneficial Holder, in each case, given to the Depository in accordance with the Applicable Procedures directing the Depository to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged, and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase, or (B) (1) a written order from a Participant or a Beneficial Holder, in each case, given to the Depository in accordance with the Applicable Procedures directing the Depository to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred, and (2) instructions given by the Depository to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer referred to in (B)(1) above. Upon satisfaction of all of the requirements for transfer of beneficial interests in Global Notes contained in this Indenture and the Notes, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 5.6(e).

(c) **Transfer or Exchange of Beneficial Interests in the Global Notes for Definitive Notes.** A holder of a beneficial interest in a Global Note may exchange such beneficial interest for a Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note only upon the occurrence of any of the preceding events in Section 5.6(b) and satisfaction of the conditions set forth in Section 5.6(b). Upon the occurrence of any such preceding event and receipt by the Registrar of the documentation referred to in the appropriate subparagraph of this Section 5.6(c), the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 5.6(e), and the Issuer shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 5.6(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depository and the Participant or Beneficial Holder. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered.

(d) **Transfer and Exchange of Definitive Notes for Definitive Notes**. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 5.6(d) and Applicable Securities Legislation, the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing.

(e) **Cancellation and/or Adjustment of Global Notes.** At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or cancelled in whole and not in part, each such Global Note shall be returned to or retained and cancelled by the Trustee in accordance with Section 5.9 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such increase.

(f) U.S. Restrictions on Transfer. If a Definitive Note tendered for transfer bears the U.S. Legend set forth in Section 2.3(h), the Trustee shall not register such transfer unless the transferor has provided the Trustee with the Definitive Note and: (A) the transfer is made to the Issuer; (B) the transfer is made outside of the United States

in a transaction meeting the requirements of Rule 904 of Regulation S, and is in compliance with applicable local laws and regulations, and the transferor delivers to the Trustee and the Issuer a declaration substantially in the form set forth in Appendix C to this Indenture, or in such other form as the Issuer may from time to time prescribe, together with such other evidence of the availability of an exemption or exclusion from registration under the U.S. Securities Act (which may, without limitation, include an opinion of counsel, of recognized standing reasonably satisfactory to the Issuer) as the Issuer may reasonably require; (C) the transfer is made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144 thereunder, if available, and in each case in accordance with any applicable state securities or "blue sky" laws; (D) the transfer is in compliance with another exemption from registration under the U.S. Securities Act and applicable state securities laws, or (E) the transfer is made pursuant to an effective registration statement under the U.S. Securities Act and any applicable state securities laws; provided that, it has prior to any transfer pursuant to Sections 4.6(f)(C) or 4.6(f)(D) furnished to the Trustee and the Issuer an opinion of counsel or other evidence in form and substance reasonably satisfactory to the Issuer to such effect. In relation to a transfer under (C) or (D) above, unless the Issuer and the Trustee receive an opinion of counsel, of recognized standing, or other evidence reasonably satisfactory to the Issuer in form and substance, to the effect that the U.S. Legend set forth in subsection 2.3(h) is no longer required on the Definitive Note representing the transferred Notes, the Definitive Note received by the transferee will continue to bear the U.S. Legend set forth in Section 2.3(h).

(g) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon the Issuer's Authentication Order in accordance with Section 3.4 or at the Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 3.9 and 12.1).

(iii) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(iv) Neither the Issuer nor the Trustee nor any Registrar shall be required to:

(A) issue, register the transfer of or exchange any Notes during a period beginning at the opening of business 15 days before the mailing of a Redemption Notice under Section 6.1 hereof and ending at the close of business on the day of selection, or

(B) register the transfer of or exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or unless upon due presentation thereof for redemption such Notes are not redeemed, or

(C) register the transfer of or exchange a Note between a Record Date and the next succeeding Interest Payment Date, or

(D) to register the transfer of or to exchange a Note tendered and not withdrawn in connection with a Change of Control Offer or an Asset Sale Offer.

(v) Subject to any restriction provided in this Indenture, the Issuer with the approval of the Trustee may at any time close any register for the Notes of any series (other than those kept at the principal office of the Trustee in Vancouver, British Columbia) and transfer the registration of any Notes registered thereon to another register (which may be an existing register) and thereafter such Notes shall be deemed to be registered on such other register. Notice of such transfer shall be given to the Holders of such Notes.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Registrar or Paying Agent and the Issuer may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of (and premium, if any) and interest on such Notes and for all other purposes, and none of the Trustee, any Registrar or Paying Agent or the Issuer shall be affected by notice to the contrary.

(vii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 3.4.

(viii) Upon surrender for registration of transfer of any Note at the office or agency of the Issuer, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more replacement Notes of any authorized denomination or denominations of a like aggregate principal amount.

(ix) At the option of the Holder, Notes may be exchanged for other Notes of any authorized denomination or denominations of a like aggregate principal amount upon surrender of the Notes to be exchanged at such office or agency. Whenever any Global Notes or Definitive Notes are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the replacement Global Notes and Definitive Notes which the Holder making the exchange is entitled to in accordance with the provisions of Section 3.4 hereof.

(x) All certifications, certificates and Opinions of Counsel required to be submitted pursuant to this Section 5.6 to effect a registration of transfer or exchange may be submitted by facsimile.

5.7 Charges for Registration, Transfer and Exchange

For each Note exchanged, registered, transferred or discharged from registration, the Trustee or other Registrar, except as otherwise herein provided, may make a reasonable charge for its services and in addition may charge a reasonable sum for each new Note issued (such amounts to be agreed upon from time to time by the Trustee and the Issuer), and payment of such charges and reimbursement of the Trustee or other Registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a condition precedent thereto. Notwithstanding the foregoing provisions, no charge shall be made to a Holder hereunder:

(a) for any exchange, registration, transfer or discharge from registration of a Note of any series applied for within a period of two months from the date of the first delivery thereof;

(b) for any exchange of any interim or temporary Note of any series or interim certificate that has been issued under Section 3.9 for a Definitive Note of any series;

(c) for any exchange of a Global Note of any series as contemplated in Section 5.2; or

(d) for any exchange of a Note of any series resulting from a partial redemption under Section 6.3.

5.8 Ownership of Notes

(a) The Holder for the time being of any Note shall be entitled to the principal, premium, if any, and/or interest evidenced by such Note, free from all equities or rights of set-off or counterclaim between the Issuer and the original or any intermediate Holder thereof (except in respect of equities of which the Issuer is required to take notice by law) and all Persons may act accordingly and the receipt of any such Holder for any such principal, premium, if any, or interest shall be a valid discharge to the Trustee, any Registrar and to the Issuer for the same and none shall be bound to inquire into the title of any such Holder.

(b) Where Notes are registered in more than one name, the principal, premium, if any, and interest from time to time payable in respect thereof may be paid to the order of all or any of such Holders, failing written instructions from them to the contrary, and the receipt of any one of such Holders therefor shall be a valid discharge, to the Trustee, any Registrar and to the Issuer.

(c) In the case of the death of one or more joint Holders, the principal, premium, if any, and interest from time to time payable thereon may be paid to the order of the

survivor or survivors of such Holders and to the estate of the deceased and the receipt by such survivor or survivors and the estate of the deceased thereof shall be a valid discharge by the Trustee, any Registrar and the Issuer.

(d) Unless otherwise required by law, the Person in whose name any Note is registered shall for all purposes of this Indenture (except for references in this Indenture to a "Beneficial Holder") be and be deemed to be the owner thereof and payment of or on account of the principal of, premium, if any, and interest on such Note shall be made only to or upon the order in writing of such Holder.

(e) Notwithstanding any other provision of this Indenture, all payments in respect of Notes issuable in the form of or represented by a Global Note shall be made to the Depository or its nominee for subsequent payment by the Depository or its nominee to the Beneficial Holders.

5.9 Cancellation and Destruction

All matured Notes of any series shall forthwith after payment of all Obligations thereunder be delivered to the Trustee or to a Person appointed by it or by the Issuer with the approval of the Trustee and cancelled by the Trustee. All Notes of any series which are cancelled or required to be cancelled under this or any other provision of this Indenture shall be destroyed by the Trustee and, if required by the Issuer, the Trustee shall furnish to it a destruction certificate setting out the designating numbers of the Notes so destroyed.

ARTICLE 6
REDEMPTION AND PURCHASE OF NOTES

6.1 Redemption of Notes

Subject to the provisions of the Supplemental Indenture relating to the issue of a particular series of Notes or, in the case of the 2023 Notes, Article 4, Notes of any series may be redeemed before the Stated Maturity thereof, in whole at any time or in part from time to time, at the option of the Issuer and in accordance with and subject to the provisions set out in this Indenture and any applicable Supplemental Indenture, including those relating to the payment of any required redemption price ("**Redemption Price**").

6.2 Places of Payment

The Redemption Price will be payable upon presentation and surrender of the Notes called for redemption at any of the places where the principal of such Notes is expressed to be payable and at any other places specified in the Redemption Notice.

6.3 Partial Redemption

(a) If less than all of the Notes of any series are to be redeemed at any time, the Trustee will select Notes of such series for redemption as follows:

(i) if the Notes are listed on any national securities exchange, including the Canadian Securities Exchange, in compliance with the requirements of the principal national securities exchange; or

(ii) if the Notes are not so listed, on a pro rata basis, by lot or by such method as the Trustee will deem fair and appropriate; or

(iii) if the Notes are included in global form based on a method required by CDS, or, a method that most nearly approximates a pro rata selection as the Trustee deems appropriate.

Subject to the foregoing and the Supplemental Indenture relating to any series of Notes (or, in the case of the 2023 Notes, Article 4), Notes or portions of Notes the Trustee selects for redemption shall be in minimum amounts of $1,000 or integral multiples of $1,000.

(b) If Notes of any series are to be redeemed in part only, the Redemption Notice that relates to such Notes will state the portion of the principal amount of such Notes that is to be redeemed. In the event that one or more of such Notes becomes subject to redemption in part only, upon surrender of any such Notes for payment of the Redemption Price, together with interest accrued to but excluding the applicable Redemption Date, the Issuer shall execute and the Trustee shall authenticate and deliver without charge to the Holder thereof or upon the Holder's order one or more new Notes of such series for the unredeemed part of the principal amount of the Notes so surrendered or, with respect to Global Notes, the Trustee shall make notations on the Global Notes of the principal amount thereof so redeemed. Unless the context otherwise requires, the terms "Note" or "Notes" as used in this Article 6 shall be deemed to mean or include any part of the principal amount of any Note which in accordance with the foregoing provisions has become subject to redemption.

6.4 Notice of Redemption

Unless otherwise provided in a Supplemental Indenture or, in the case of the 2023 Notes, Article 4, notice of redemption (the "**Redemption Notice**") of any series of Notes shall be given to the Holders of the Notes so to be redeemed not more than 60 days nor less than 15 days prior to the date fixed for redemption (the "**Redemption Date**") in the manner provided in Section 16.2; provided that Redemption Notices in respect of optional redemptions of Notes may be delivered more than 60 days prior to a Redemption Date if the Redemption Notice is issued in connection with a defeasance of the relevant Notes or a satisfaction and discharge of this Indenture. Every such Redemption Notice shall specify the aggregate principal amount of Notes called for redemption, the Redemption Date, the Redemption Price and the places of payment and shall state that interest upon the principal amount of Notes called for redemption shall cease to be payable from and after the Redemption Date. Redemption Notices in respect of redemptions made pursuant to Section 4.7 may, at the Issuer's discretion, be subject to one or more conditions precedent, as described under Section 6.5. In addition, unless all the outstanding Notes of a series are to be redeemed, the Redemption Notice shall specify:

(a) the distinguishing letters and numbers of the Notes which are to be redeemed (as are registered in the name of such Holder);

(b) if such Notes are selected by terminal digit or other similar system, such particulars as may be sufficient to identify the Notes so selected;

(c) in the case of Global Notes, that the redemption will take place in such manner as may be agreed upon by the Depository, the Trustee and the Issuer; and

(d) in all cases, the principal amounts of such Notes or, if any such Note is to be redeemed in part only, the principal amount of such part.

Notwithstanding Section 16.2, in the event that all Notes of a series to be redeemed are Global Notes, publication of the Redemption Notice shall not be required.

If Notes of any series are to be redeemed in part only, the Redemption Notice that relates to such Notes will state the portion of the principal amount of such Notes that is to be redeemed. In the event that one or more of such Notes becomes subject to redemption in part only, upon surrender of any such Notes for payment of the Redemption Price, together with interest accrued to but excluding the applicable Redemption Date, the Issuer shall execute and the Trustee shall authenticate and deliver without charge to the Holder thereof or upon the Holder's order one or more new Notes of such series for the unredeemed part of the principal amount of the Notes so surrendered or, with respect to Global Notes, the Trustee shall make notations on the Global Notes of the principal amount thereof so redeemed. Unless the context otherwise requires, the terms "Note" or "Notes" as used in this Article 6 shall be deemed to mean or include any part of the principal amount of any Note which in accordance with the foregoing provisions has become subject to redemption.

6.5 Qualified Redemption Notice

In connection with any optional redemption of Notes, any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, including the completion of any Permitted Refinancing Indebtedness or any Equity Offering. In addition, if such redemption notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's sole discretion, the Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the Redemption Date, or by the redemption date so delayed, and that such redemption provisions may be adjusted to comply with any depositary requirements.

6.6 Notes Due on Redemption Dates

Upon a Redemption Notice having been given as provided in Section 6.4, all the Notes so called for redemption or the principal amount to be redeemed of the Notes called for redemption, as the case may be, shall thereupon be and become due and payable at the Redemption Price, together with accrued interest to but excluding the Redemption Date, on the Redemption Date specified in such notice, in the same manner and with the same effect as if it were the Stated Maturity specified in such Notes, anything therein or herein to the contrary notwithstanding. If any Redemption Date

is on or after a Record Date and on or before the related Interest Payment Date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such Record Date, and no additional interest will be payable to Holders whose Notes shall be subject to redemption by the Issuer. From and after such Redemption Date, if the monies necessary to redeem such Notes shall have been deposited as provided in Section 6.7 and affidavits or other proof satisfactory to the Trustee as to the publication and/or mailing of such Redemption Notices shall have been lodged with it, interest upon the Notes shall cease to accrue. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

6.7 Deposit of Redemption Monies

(a) Except as may otherwise be provided in any Supplemental Indenture or, in the case of the 2023 Notes, Article 4, upon Notes being called for redemption, the Issuer shall deposit with the Trustee, for onward payment to the Depository, on or before 11:00 a.m. (Toronto time) on the day prior to the Redemption Date specified in the Redemption Notice, such sums of money as may be sufficient to pay the Redemption Price of the Notes so called for redemption, plus accrued and unpaid interest thereon up to but excluding the Redemption Date and including any Additional Amounts, less any Taxes required by law to be deducted or withheld therefrom. The Issuer shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such redemption. Every such deposit shall be irrevocable. From the sums so deposited, the Trustee shall pay or cause to be paid, to the Depository on behalf of the Holders of such Notes so called for redemption, upon surrender of such Notes, the principal, premium (if any) and interest (if any) to which they are respectively entitled on redemption.

(b) Payment of funds to the Trustee upon redemption of Notes shall be made by electronic transfer or certified cheque or pursuant to such other arrangements for the provision of funds as may be agreed between the Issuer and the Trustee in order to effect such payment hereunder. Notwithstanding the foregoing, (i) all payments in excess of $25,000,000 (or such other amount as determined from time to time by the Canadian Payments Association) shall be made by the use of the LVTS; and (ii) in the event that payment must be made to the Depository, the Issuer shall remit payment to the Trustee by LVTS. The Trustee shall have no obligation to disburse funds pursuant to this Section 6.7 unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable on the applicable Redemption Date. The Trustee shall, if it accepts any funds received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.

6.8 Failure to Surrender Notes Called for Redemption

In case the Holder of any Note of any series so called for redemption shall fail on or before the Redemption Date so to surrender such Holder's Note, or shall not within such time specified on the Redemption Notice accept payment of the redemption monies payable, or give such receipt therefor, if any, as the Trustee may require, such redemption monies may be set aside in trust, without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Holder of the sum so set aside and, to that extent, such Note shall thereafter not be considered as outstanding hereunder and the Holder thereof shall have no other right except to receive payment of the Redemption Price of such Note, plus any accrued but unpaid interest thereon to but excluding the Redemption Date and including any Additional Amounts, less any Taxes required by law to be deducted or withheld, out of the monies so paid and deposited, upon surrender and delivery up of such Holder's relevant Note. In the event that any money required to be deposited hereunder with the Trustee or any Paying Agent on account of principal, premium, if any, or interest, if any, on Notes issued hereunder shall remain so deposited for a period of six years from the Redemption Date, then such monies, together with any accumulated interest thereon, shall at the end of such period be paid over or delivered over by the Trustee or such Paying Agent to the Issuer on its demand, and thereupon the Trustee shall not be responsible to Holders of such Notes for any amounts owing to them and subject to applicable law, thereafter the Holders of such Notes in respect of which such money was so repaid to the Issuer shall have no rights in respect thereof except to obtain payment of the money due from the Issuer, subject to any limitation period provided by the laws of British Columbia.

6.9 Cancellation of Notes Redeemed

Subject to the provisions of Sections 6.4 and 6.10 as to Notes redeemed or purchased in part, all Notes redeemed and paid under this Article 6 shall forthwith be delivered to the Trustee and cancelled and no Notes shall be issued in substitution for those redeemed.

6.10 Purchase of Notes for Cancellation

(a) Subject to the provisions of any Supplemental Indenture relating to a particular series of Notes or, in the case of the 2023 Notes, Article 4, the Issuer may, at any time and from time to time, purchase Notes of any series in the market (which shall include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by contract, at any price; provided such acquisition does not otherwise violate the terms of this Indenture. All Notes so purchased may, at the option of the Issuer, be delivered to the Trustee and cancelled and no Notes shall be issued in substitution therefor.

(b) If, upon an invitation for tenders, more Notes of the relevant series are tendered at the same lowest price than the Issuer is prepared to accept, the Notes to be purchased by the Issuer shall be selected by the Trustee on a pro rata basis or in such other manner as the Issuer directs in writing and as consented to by the exchange, if any, on which Notes of such series are then listed which the Trustee considers appropriate, from the Notes of such series tendered by each tendering Holder thereof who tendered at such lowest price. For this purpose the Trustee may make, and from time to time amend, regulations with respect to the manner in which

Notes of any series may be so selected, and regulations so made shall be valid and binding upon all Holders thereof, notwithstanding the fact that as a result thereof one or more of such Notes become subject to purchase in part only. The Holder of a Note of any series of which a part only is purchased, upon surrender of such Note for payment, shall be entitled to receive, without expense to such Holder, one or more new Notes of such series for the unpurchased part so surrendered, and the Trustee shall authenticate and deliver such new Note or Notes upon receipt of the Note so surrendered or, with respect to a Global Note, the Depository shall make book-entry notations with respect to the principal amount thereof so purchased.

ARTICLE 7
COVENANTS OF THE ISSUER

As long as any Notes remain outstanding, the Issuer hereby covenants and agrees with the Trustee for the benefit of the Trustee and the Holders as follows (unless and for so long as the Issuer and/or one or more of its Subsidiaries are the only Holders (or Beneficial Holders) of the outstanding Notes, in which case the following provisions of this Article 7 shall not apply):

7.1 Payment of Principal, Premium, and Interest

(a) The Issuer covenants and agrees for the benefit of the Holders that it will duly and punctually pay the principal of, premium, if any, and interest on the Notes in accordance with the terms of each series of Notes, as applicable, and this Indenture. Principal, premium and interest shall be considered paid on the date due if on such date the Trustee holds in accordance with this Indenture money sufficient to pay all principal, premium and interest then due and the Trustee is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture.

(b) Subject to the provisions of any Supplemental Indenture relating to a particular series of Notes or, in the case of the 2023 Notes, Article 4, the Issuer shall pay interest on overdue principal and premium, if any, at the rate specified in respect of each series of Notes, and it will pay interest on overdue instalments of interest at the same rate to the extent lawful.

7.2 Existence

Subject to Article 12, the Issuer shall, and shall cause each Restricted Subsidiary to, do or cause to be done all things necessary to preserve and keep in full force and effect the corporate, partnership or other legal existence, as applicable, and the corporate, partnership or other legal power, as applicable, of the Issuer and each Restricted Subsidiary; provided that neither the Issuer nor any Restricted Subsidiary will be required to preserve any such corporate, partnership or other legal existence and corporate, partnership or other legal power if the Board of Directors of the Issuer determines that the preservation thereof is no longer desirable in the conduct of the business of the Issuer, and the Restricted Subsidiaries taken as a whole and that the loss thereof is not disadvantageous in any material respect to the Holders.

7.3 Payment of Taxes and Other Claims

The Issuer shall and shall cause each of the Restricted Subsidiaries to, file all tax returns required to be filed in any jurisdiction and to pay and discharge, or cause to be paid and discharged, all Taxes shown to be due and payable on such returns and all other Taxes imposed on them or any of their properties, assets, income or franchises, to the extent such Taxes have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Issuer or any Restricted Subsidiary; provided that neither the Issuer nor any Restricted Subsidiaries need pay any such Taxes or claim if (a) the amount, applicability or validity thereof is contested by the Issuer or such Restricted Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Issuer or a Restricted Subsidiary has established adequate reserves therefor in accordance with IFRS on the books of the Issuer or such Restricted Subsidiary or (b) the non-payment of all such Taxes in the aggregate would not reasonably be expected to have a material adverse effect on the business, affairs or financial condition of the Issuer and the Restricted Subsidiaries taken as a whole.

7.4 Keeping of Books

The Issuer shall keep or cause to be kept, and shall cause each Restricted Subsidiary to keep or cause to be kept proper books of record and account, in which full and correct entries (in all material respects) shall be made of all financial transactions and the property and business of the Issuer and the Restricted Subsidiaries in accordance with IFRS.

7.5 Provision of Reports and Financial Statements

The Issuer will provide to the Trustee, and the Trustee shall deliver to the Holders, the following:

(a) within 60 days after the end of each quarterly fiscal period in each fiscal year of the Issuer, other than the last quarterly fiscal period of each such fiscal year, copies of:

(i) an unaudited consolidated statements of financial position as at the end of such quarterly fiscal period and unaudited consolidated statements of net income and other comprehensive income, cash flows and changes in equity of the Issuer for such quarterly fiscal period and, in the case of the second and third quarters, for the portion of the fiscal year ending with such quarter; and

(ii) an associated “Management’s Discussion and Analysis” prepared on a basis substantially consistent with the “Management’s Discussion and Analysis” included in the Offering Memorandum; and

(b) within 120 days after the end of each fiscal year of the Issuer, copies of:

(i) an audited consolidated statements of financial position of the Issuer as at the end of such year and audited consolidated statements of net income and other comprehensive income, cash flows and changes in equity of the Issuer for such fiscal year, together with a report of the Issuer’s auditors thereon; and

(ii) an associated "Management's Discussion and Analysis" prepared on a basis substantially consistent with the "Management's Discussion and Analysis" included in the Offering Memorandum;

in the case of each of Sections 7.5(a)(i) and 7.5(b)(i) prepared in accordance with IFRS. The reports referred to in Sections 7.5(a)(i) and 7.5(b)(i) are collectively referred to as the "**Financial Reports**."

(c) The Issuer will, within 15 Business Days after providing to the Trustee any Financial Report, hold a conference call to discuss such Financial Report and the results of operations for the applicable reporting period. The Issuer will also maintain a website to which Holders, prospective investors and securities analysts are given access, on which not later than the date by which the Financial Reports are required to be provided to the trustee pursuant to the immediately preceding paragraph, the Issuer (i) makes available such Financial Reports and (ii) provides details about how to access on a toll-free basis the quarterly conference calls described above.

(d) Notwithstanding the foregoing paragraphs, (i) all Financial Reports will be deemed to have been provided to the Trustee and the Holders once filed on either (A) the System for Electronic Document Analysis and Retrieval (SEDAR) or any successor system thereto; or (B) EDGAR or any successor system thereto, and the Issuer will not be required to maintain a website on which it makes such Financial Reports available, and (ii) if the Issuer holds a quarterly conference call for its equity holders within 15 Business Days of filing a Financial Report on SEDAR or EDGAR or any successor systems thereto, Holders shall be permitted to attend such conference call.

(e) Concurrently with the delivery of Financial Reports by the Issuer under Sections 7.5(a)(i) and 7.5(b)(i), the Issuer shall deliver to the Collateral Trustee an Officer's Certificate as to whether the Security Coverage Test was met as of the date of the applicable Financial Report and setting out such information and calculations with respect thereto as the Collateral Trustee may reasonably request.

7.6 Designation of Restricted and Unrestricted Subsidiaries

(a) The Board of Directors of the Issuer may designate any Restricted Subsidiary of the Issuer to be an Unrestricted Subsidiary; provided that:

(i) at the time of and after giving effect to any such designation, the Issuer and its Restricted Subsidiaries account for at least 85% of the Consolidated Net Tangible Assets of the Issuer (excluding all of the assets of an Unrestricted Subsidiary that was an Unrestricted Subsidiary as of the Issue Date)

(ii) any Guarantee by the Issuer or any Restricted Subsidiary thereof of any Indebtedness of the Subsidiary being so designated will be deemed to be an Incurrence of Indebtedness by the Issuer or such Restricted Subsidiary (or both, if applicable) at the time of such designation, and such Incurrence of Indebtedness would be permitted under Section 7.10;

(iii) the aggregate Fair Market Value of all outstanding Investments owned by the Issuer and its Restricted Subsidiaries in the Subsidiary being so designated (including any Guarantee by the Issuer or any Restricted Subsidiary thereof of any Indebtedness of such Subsidiary) will, unless it otherwise constitutes a Permitted Investment, be deemed to be a Restricted Investment made as of the time of such designation and that such Investment would be permitted under Section 7.9;

(iv) such Subsidiary does not hold any Liens on any property of the Issuer or any Restricted Subsidiary thereof;

(v) the Subsidiary being so designated:

(A) is a Person with respect to which neither the Issuer nor any of its Restricted Subsidiaries has any direct or indirect obligation (i) to subscribe for additional Equity Interests or (ii) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results;

(B) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Issuer or any of its Restricted Subsidiaries, except to the extent such Guarantee or credit support would be released upon such designation; and

(C) is not a party to any agreement or understanding with the Issuer or any of its Restricted Subsidiaries unless the terms of any such agreement would be permitted under Section 7.12;

(vi) no Default or Event of Default would be in existence following such designation.

(b) Any designation of a Restricted Subsidiary of the Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the preceding conditions and was permitted by the Indenture.

(c) The Board of Directors of the Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that:

(i) such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of the Issuer of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation will only be permitted if such Indebtedness is permitted under Section 7.10;

(ii) all outstanding Investments owned by such Unrestricted Subsidiary will be deemed to be made as of the time of such designation and such designation will only be permitted if such Investments would be permitted under Section 7.9 provided that such outstanding Investments shall be valued at the lesser of (A) the Fair Market Value of such Investments measured on the date of such designation and (B) the Fair Market Value of such Investments measured at the time each such Investment was made by such Unrestricted Subsidiary;

(iii) all Liens upon property or assets of such Unrestricted Subsidiary existing at the time of such designation would be permitted under Section 7.7; and

(iv) no Default or Event of Default would be in existence following such designation.

7.7 Liens

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, create, Incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind (other than Permitted Liens) securing Indebtedness upon any of their assets or properties, now owned or hereafter acquired.

7.8 Landlord Consents

The Issuer shall (a) execute and deliver, and shall cause each Restricted Subsidiary to execute and deliver, to the Collateral Trustee collateral assignments of leases or other Security Documents within 30 days of the Initial Issue Date sufficient to permit the Security Coverage Test to be met, (b) use, and cause each Restricted Subsidiary to use, commercially reasonable efforts to obtain Waivers of Priority sufficient to meet the Security Coverage Test, and (c) promptly provide the Collateral Trustee with copies of all Waivers of Priority that the Issuer and the Restricted Subsidiaries have obtained for purposes of complying with this Section 7.8; provided, however, that neither the Issuer nor a Restricted Subsidiary shall be required to execute and deliver a collateral assignment of any lease pursuant to clause (a) of this Section 7.8 prior to obtaining a Waiver of Priority in respect thereof if doing so would reasonably be expected to invalidate such lease.

7.9 Restricted Payments

(a) Subject to Section 7.9(b), the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay (without duplication) any dividend or make any other payment or distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger, consolidation or amalgamation of the Issuer or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Issuer's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends, payments or distributions (A) payable in Equity Interests (other than Disqualified Stock) of the Issuer or (B) to the Issuer or a Restricted Subsidiary of the Issuer);

(ii) purchase, redeem or otherwise acquire or retire for value any Equity Interests of the Issuer held by Persons other than any of the Issuer's Restricted Subsidiaries;

(iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Indebtedness (other than intercompany Indebtedness permitted under Section 7.10(b)(ix)), except: (A) a payment of interest or payment of principal at the Stated Maturity thereof or (B) the purchase, repurchase or other acquisition of any such Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition; or

(iv) make any Restricted Investment;

(all such payments and other actions set forth in Sections 7.9(a)(i) through 7.9(a)(iv) above are collectively referred to as "**Restricted Payments**"), unless, at the time of and after giving effect to such Restricted Payment:

(A) no Default or Event of Default will have occurred and be continuing or would occur as a consequence of such Restricted Payment;

(B) the Issuer would, after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in Section 7.10(a); and

(C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries since the Issue Date (excluding Restricted Payments permitted by Sections 7.9(b)(ii) through 7.9(b)(x), 7.9(b)(xii), 7.9(b)(xv), 7.9(xvii), and 7.9(b)(xviii) is less than the sum, without duplication, of:

(1) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) from December 31, 2019 to the end of the Issuer's most recently ended fiscal quarter for which consolidated internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); plus

(2) 100% of the aggregate net cash proceeds and the aggregate Fair Market Value of any property received by the Issuer

since the Issue Date (A) as a contribution to its common equity capital, (B) from Equity Offerings of the Issuer (other than Disqualified Stock), including cash proceeds received from an exercise of warrants or options, or (C) from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Issuer that have been converted into or exchanged for such Equity Interests (in the case of each of the foregoing clauses (A) through (C), other than a contribution from, or Equity Interests (or Disqualified Stock or debt securities) sold to, a Subsidiary of the Issuer); plus

(3) to the extent any Restricted Investment that was made after the Issue Date is (a) disposed of or otherwise liquidated, redeemed, repurchased or repaid, or (b) made in an entity that subsequently becomes a Restricted Subsidiary of the Issuer, 100% of the cash and the Fair Market Value of marketable securities or other property received by the Issuer or any Restricted Subsidiary of the Issuer with respect to such Restricted Investment (less the cost of disposition, if any); plus

(4) to the extent that any Unrestricted Subsidiary of the Issuer is redesignated as a Restricted Subsidiary after the Issue Date, 100% of the Fair Market Value of the Issuer's Investment in such Subsidiary as of the date of such redesignation; plus

(5) 100% of any dividends or distributions received in cash by the Issuer or a Restricted Subsidiary from an Unrestricted Subsidiary after the Issue Date (to the extent not already included in Consolidated Net Income of the Issuer for the applicable period).

(b) Section 7.9(a) will not prohibit, so long as, in the case of Sections 7.9(b)(viii), 7.9(b)(xv), and 7.9(b)(xvii) no Default has occurred and is continuing or would be caused thereby:

(i) the payment of any dividend or distribution, or the making of any Restricted Payment in respect of a redemption of Subordinated Indebtedness, in each case within 60 days after the date of declaration thereof or the giving of an irrevocable notice of redemption therefor, as the case may be, if at said date of declaration or the giving of such notice such payment would have complied with the provisions of this Indenture;

(ii) the payment of any dividend or similar distribution by a Restricted Subsidiary of the Issuer to the holders of its Equity Interests on a pro rata basis;

(iii) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of the sale (other than to a Subsidiary of the Issuer) of, Equity Interests of the Issuer (other than Disqualified Stock), including cash proceeds received from an exercise of warrants or options, or from the contribution (other than by a Subsidiary of the Issuer) of capital to the Issuer in respect of its Equity Interests (other than Disqualified Stock); in each case within 60 days of such Restricted Payment, provided that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from Section 7.9(a)(C)(2).

(iv) the defeasance, redemption, repurchase, retirement or other acquisition of Subordinated Indebtedness with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness within 60 days of such defeasance, redemption, repurchase, retirement or other acquisition; provided that the amount of any such net cash proceeds that are utilized for any such defeasance, redemption, repurchase, retirement or other acquisition of Indebtedness will be excluded from Section 7.9(a)(C)(2);

(v) Investments acquired as a capital contribution to, or in exchange for, or out of the net cash proceeds of a substantially concurrent sale (other than to a Subsidiary of the Issuer) of, Equity Interests (other than Disqualified Stock) of the Issuer within 60 days of such Restricted Payment; provided that the amount of any such net cash proceeds that are utilized for any such acquisition or exchange will be excluded from Section 7.9(a)(C)(2);

(vi) the repurchase, redemption or other acquisition or retirement of Equity Interests deemed to occur upon the exercise or exchange of stock options, warrants or other similar rights to the extent such Equity Interests represent a portion of the exercise or exchange price of those stock options, warrants or other similar rights;

(vii) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Issuer held by any current or former officer, director or employee (or any of their respective heirs or estates or permitted transferees) of the Issuer or any Restricted Subsidiary of the Issuer pursuant to any employee equity subscription agreement, stock option agreement, stock matching program, stockholders' agreement or similar agreement entered into in the ordinary course of business; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests in any calendar year will not exceed $10.0 million (with unused amounts in any calendar year being carried over to the next succeeding calendar year only);

(viii) dividends on Disqualified Stock issued in compliance with Section 7.10 to the extent such dividends are included in the definition of Consolidated Fixed Charges with respect to the Issuer;

(ix) the payment of cash in lieu of fractional Equity Interests in connection with stock dividends, splits or business combinations or the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Issuer or any of its Restricted Subsidiaries that are not derivative securities;

(x) payments or distributions to dissenting stockholders pursuant to applicable law in connection with a merger, consolidation or transfer of assets that complies with the provisions of Section 12.1;

(xi) the repurchase, redemption or other acquisition or retirement for value of any Indebtedness pursuant to provisions in documentation governing such Indebtedness similar to those described in Section 7.14 or Section 7.15, provided that, prior to such repurchase, redemption or other acquisition or retirement, the Issuer (or a third party to the extent permitted by this Indenture) shall have made a Change of Control Offer or Asset Sale Offer with respect to the Notes and shall have repurchased all Notes validly tendered and not withdrawn in connection with such Change of Control Offer or Asset Sale Offer;

(xii) payments made or expected to be made by the Issuer or any Restricted Subsidiary in respect of withholdings or similar taxes payable upon exercise of Equity Interests, restricted stock units, or stock appreciation rights by any future, present or former employee, director, officer, member of management or consultants (or any of their respective heirs or estates or permitted transferees) of the Issuer or any Restricted Subsidiary (including the repurchase of Equity Interests from such Persons to the extent the proceeds are used to make tax payments);

(xiii) payments made or expected to be made by the Issuer to the holders of Equity Interests of the Issuer in accordance with a distribution reinvestment plan or dividend reinvestment plan to the extent such payments are applied to the purchase of Equity Interests directly from the Issuer;

(xiv) payments made or expected to be made by the Issuer or a Restricted Subsidiary to minority interest stockholders of a Subsidiary in connection with the purchase, acquisition, redemption or retirement of such minority stockholders' Equity Interests in the applicable Subsidiary;

(xv) any other Restricted Payment provided that, at the time of and after giving effect to such Restricted Payment, the aggregate of such Restricted Payment and all other Restricted Payments made under this clause (xv) since the Issue Date does not exceed the greater of (a) $25 million and (b) 6.5% of the Issuer's Consolidated Net Tangible Assets (determined as of the date of such Restricted Payment);

(xvi) payments to stockholders of Persons who are controlled by the Issuer or its Restricted Subsidiaries through management service agreements in connection with the purchase, acquisition, redemption or retirement of such stockholders' Equity Interests in the applicable Person;

(xvii) payments made directly or indirectly by one or more arm's length third parties; and

(xviii) the purchase, redemption or other acquisition or retirement for value of any Equity Interests of the Issuer pursuant to a normal course issuer bid; provided that immediately after giving effect to any such transaction pursuant to this Paragraph (xviii), the Consolidated Leverage Ratio of the Issuer would not exceed 3.0 to 1.0.

(c) In determining whether any Restricted Payment (or a portion thereof) is permitted by the foregoing paragraphs (a) or (b) of this Section 7.9, the Issuer may allocate or reallocate all or any portion of such Restricted Payment among the clauses of paragraph (a) or (b) of this Section 7.9, or the clauses of the definition of "Permitted Investment", provided that at the time of such allocation or reallocation, all such Restricted Payments, or allocated portions thereof, would be permitted under the various provisions of the foregoing covenant or the definition of "Permitted Investment" (or any combination of the foregoing).

(d) The amount of all Restricted Payments will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

7.10 Incurrence of Indebtedness

(a) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, (i) Incur any Indebtedness (including Acquired Debt) or (ii) issue any Disqualified Stock; provided, however, that the Issuer and the Restricted Subsidiaries may Incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, if the Consolidated Fixed Charge Coverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock is issued, as the case may be, would have been at least 2.0:1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred or such Disqualified Stock had been issued, as the case may be at the beginning of such four-quarter period.

(b) Notwithstanding the foregoing, Section 7.10(a) will not prohibit the Incurrence of any of the following (collectively, "**Permitted Debt**"):

(i) the Incurrence by the Issuer and any Guarantor of Indebtedness under this Indenture or Indebtedness and letters of credit under Credit Facilities in an aggregate principal amount (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Issuer and

any Guarantor thereunder) that, at the time of and after giving effect to such Incurrence and all other Incurrences made under this paragraph (i) since the Issue Date and which remain outstanding, does not exceed the greater of (A) US$150 million or (B) three times the Issuer's Consolidated EBITDA for the most recently ended four full fiscal quarters for which internal financial statements are available (determined on a pro forma basis after giving effect to a pro forma application of the net proceeds of such Incurrence and to such other pro forma adjustments as are consistent with those set forth in the definition of "Consolidated Fixed Charge Coverage Ratio"), and in each case such amounts are to be reduced by the aggregate principal amount of Notes and any Additional Notes outstanding on the date of such Incurrence (Indebtedness Incurred pursuant to this paragraph (i) being referred to as "**Permitted Pari Indebtedness**");

(ii) the Incurrence by the Issuer or any Restricted Subsidiary of Indebtedness represented by Lease Obligations in an aggregate principal amount that, at the time of and after giving effect to such Incurrence and all other Incurrences made under this paragraph (i) since the Issue Date and which remain outstanding (including all Permitted Refinancing Indebtedness Incurred to refund, refinance, replace, defease or discharge any Lease Obligations Incurred pursuant to this paragraph (i)), does not exceed the greater of (A) $75 million and (B) 20% of the Issuer's Consolidated Net Tangible Assets (determined as of the date of such Incurrence and including any right of use assets acquired in connection with such Lease Obligations);

(iii) the Incurrence by the Issuer or any Restricted Subsidiary of Lease Obligations in the ordinary course of business in respect of (A) retail locations for dispensaries, (B) cultivation and/or manufacturing facilities, or (C) equipment that will be used at dispensaries and/or cultivation and manufacturing facilities;

(iv) the Incurrence by the Issuer or any Restricted Subsidiary of Indebtedness represented by purchase money obligations incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation, development or improvement of property, plant or equipment used in the business of the Issuer or any of its Restricted Subsidiaries, in an aggregate principal amount that, at the time of and after giving effect to such Incurrence and all other Incurrences made under this clause (iv) since the Issue Date and which remain outstanding (including all Permitted Refinancing Indebtedness Incurred to refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (iv)), does not exceed the greater of (a) $40 million and (b) 10% of the Issuer's Consolidated Net Tangible Assets (determined as of the date of such Incurrence and including any assets acquired with such Indebtedness);

(v) the guarantee by the Issuer or any Restricted Subsidiary of non-recourse debt of an Unrestricted Subsidiary or joint venture in which the Issuer or a Restricted Subsidiary has an ownership interest; provided that recourse on such guarantee is limited to Liens on and pledges of the Equity Interests of such Unrestricted Subsidiary or joint venture;

(vi) the Incurrence of Existing Indebtedness;

(vii) the Incurrence by the Issuer and the Guarantors of Indebtedness represented by the Notes and the Subsidiary Guarantees, in each case, issued on the Issue Date, and any subsequent Incurrence by a Guarantor of Indebtedness represented by a Subsidiary Guarantee;

(viii) the Incurrence by the Issuer or any Restricted Subsidiary of the Issuer of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance, replace, defease or discharge Indebtedness (other than intercompany Indebtedness) that was permitted by this Indenture to be Incurred under Section 7.10(a) or clauses (ii), (iv), (vi) and (xv) of this Section 7.10(b);

(ix) the Incurrence by the Issuer or any of its Restricted Subsidiaries of intercompany Indebtedness owing to and held by the Issuer or any of its Restricted Subsidiaries; provided, however, that:

(A) if the Issuer or any Guarantor is the obligor on such Indebtedness, such Indebtedness must be unsecured and is expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes, in the case of the Issuer, or any Subsidiary Guarantee, in the case of a Guarantor;

(B) such Indebtedness owed to the Issuer or any Guarantor must be unsubordinated obligations, unless the obligor under such Indebtedness is the Issuer or a Guarantor; and

(C) (1) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Issuer or a Restricted Subsidiary thereof and (2) any sale or other transfer of any such Indebtedness to a Person that is not either the Issuer or a Restricted Subsidiary thereof, will be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this Section 7.10(b)(ix);

(x) the issuance by any Restricted Subsidiary to the Issuer or to any of its Restricted Subsidiary of any preferred stock or Disqualified Stock; provided, however, that (A) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock or Disqualified Stock being held by a Person other than the Issuer or Restricted Subsidiary thereof and

(B) any sale or other transfer of any such preferred stock or Disqualified Stock to a Person that is not either the Issuer or a Restricted Subsidiary thereof, will be deemed, in each case, to constitute an issuance of such preferred stock or Disqualified Stock by such Restricted Subsidiary that was not permitted by this clause (x);

(xi) the guarantee by the Issuer or any of the Guarantors of Indebtedness of the Issuer or any Restricted Subsidiary of the Issuer that was permitted to be Incurred by another provision of this covenant;

(xii) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Hedging Obligations for the purpose of managing risks in the ordinary course of business and not for speculative purposes;

(xiii) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances, performance bonds, completion bonds, bid bonds, appeal bonds and surety bonds or other similar bonds or obligations, and any guarantees or letters of credit functioning as or supporting any of the foregoing, in each case provided by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;

(xiv) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business; provided that, upon the drawing of such letters of credit or the Incurrence of such Indebtedness, such obligations are reimbursed within one year following such drawing or Incurrence;

(xv) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Permitted Acquisition Indebtedness;

(xvi) the Incurrence by the Issuer or any of its Guarantors of Indebtedness required to be issued under the TGS Acquisition Agreement as part of the purchase price thereunder;

(xvii) the Incurrence of Indebtedness representing deferred compensation to directors, officers, members of management or employees (in their capacities as such) of the Issuer or any of its Restricted Subsidiaries and Incurred in the ordinary course of business;

(xviii) the Incurrence of Indebtedness issued by Issuer or any of its Restricted Subsidiaries to any current or former officer, director or employee (or any of their respective heirs or estates or permitted transferees) of the Issuer or any Restricted Subsidiary to finance the purchase or redemption of Equity Interests to the extent described in paragraph 7.9(b)(vii); or

(xix) the Incurrence of unsecured Indebtedness by the Issuer or any of its Restricted Subsidiaries that, at the time of and after giving effect to such Incurrence and all other Incurrences made under this clause (xix) since the Issue Date and which remain outstanding, does not exceed the greater of (A) US$50 million or (B) three times the Issuer's Consolidated EBITDA for the most recently ended four full fiscal quarters for which internal financial statements are available (determined on a pro forma basis after giving effect to a pro forma application of the net proceeds of such Incurrence and to such other pro forma adjustments as are consistent with those set forth in the definition of "Consolidated Fixed Charge Coverage Ratio"), provided that in each case such amounts may be increased by the amount of available Permitted Pari Indebtedness on the date of such Incurrence (which, for greater certainty, shall reduce the amount of Permitted Pari Indebtedness permitted by clause (i) by such amount), and provided futher that all Indebtedness permitted by this paragraph (xix) shall not (x) have a maturity date prior to the maturity date of the Notes; and (y) require payments of any principal prior to the maturity date of the Notes;

(c) For purposes of determining compliance with this covenant, in the event that any proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in Section 7.10(b)(i) through (xix) above, or is entitled to be Incurred or issued pursuant to Section 7.10(a), the Issuer will be permitted to divide and classify such item of Indebtedness at the time of its Incurrence in any manner that complies with this Section 7.10. In addition, any Indebtedness originally divided or classified as Incurred pursuant to Section 7.10(b)(i) through (xix) above or pursuant to Section 7.10(a) may later be re-divided or reclassified by the Issuer such that it will be deemed as having been Incurred pursuant to another of such clauses or such paragraph (or a combination thereof); provided that such re-divided or reclassified Indebtedness could be Incurred pursuant to such new clause or such paragraph (or a combination thereof) at the time of such re-division or reclassification. Notwithstanding the foregoing, Indebtedness outstanding on the Issue Date will be deemed to have been Incurred on such date in reliance on the exception provided pursuant to Section 7.10(b)(vi). Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included in such determination.

(d) Notwithstanding any other provision of this covenant and for the avoidance of doubt, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant will not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rates of currencies or increases in the value of property securing Indebtedness which occur subsequent to the date that such Indebtedness was Incurred as permitted by this covenant.

(e) The Issuer will not, and will not permit any Guarantor to, Incur any Indebtedness that is subordinate in right of payment to any other Indebtedness of the Issuer or such Guarantor unless such Indebtedness is subordinate in right of payment to the Notes and such Guarantor's Subsidiary Guarantee to the same extent.

7.11 Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(i) pay dividends or make any other distributions on its Capital Stock (or with respect to any other interest or participation in, or measured by, its profits) to the Issuer or any of its Restricted Subsidiaries or pay any liabilities owed to the Issuer or any of its Restricted Subsidiaries (it being understood that the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on any other Capital Stock shall not be deemed a restriction on the ability to pay any dividends or make any other distributions);

(ii) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or

(iii) transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries.

(b) Section 7.11(a) will not apply to encumbrances or restrictions:

(i) existing under, by reason of or with respect to any Existing Indebtedness, Capital Stock or any other agreements or instruments in effect on the Issue Date and any amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings thereof, provided that the encumbrances and restrictions in any such amendments, modifications, restatements, renewals, increases, extensions, supplements, refundings, replacements or refinancings are, in the reasonable good faith judgment of the Issuer, not materially more restrictive, taken as a whole, than those contained in the Existing Indebtedness, Capital Stock or such other agreements or instruments, as the case may be, as in effect on the Issue Date;

(ii) under agreements governing other Indebtedness permitted to be Incurred under Section 7.10 and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements if either the encumbrance or restriction will not, in the good faith judgement of the Issuer, materially affect the Issuer's ability to make principal or interest payments on the Notes;

(iii) set forth in this Indenture, the Notes and the Subsidiary Guarantees or contained in any other instrument relating to any such Indebtedness;

(iv) existing under, by reason of or with respect to applicable law, rule, regulation, order, approval, license, permit or similar restriction;

(v) with respect to any Person or the property or assets of a Person acquired by the Issuer or any of its Restricted Subsidiaries existing at the time of such acquisition and not incurred in connection with, or in contemplation of, such acquisition, which encumbrance or restriction is not applicable to any Person or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired and any amendments, modifications, restatements, renewals, increases, extensions, supplements, refundings, replacements or refinancings thereof, provided that the encumbrances and restrictions in any such amendments, modifications, restatements, renewals, increases, extensions, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, not materially more restrictive, taken as a whole, than those in effect on the date of the acquisition;

(vi) in the case of a transfer contemplated under Section 7.11(a)(iii):

(A) that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset;

(B) existing by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Issuer or any Restricted Subsidiary thereof not otherwise prohibited by this Indenture;

(C) purchase money obligations for property acquired in the ordinary course of business and Lease Obligations, in each case which impose restrictions on the property so acquired;

(D) provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements entered into with the approval of the Issuer's Board of Directors or in the ordinary course of business, which limitation is applicable only to the assets that are the subject of such agreements;

(E) any instrument governing secured Indebtedness to the extent such restriction only affects the property that secures such Indebtedness pursuant to the Indebtedness Incurred and Liens granted in compliance with this Indenture; or

(F) arising or agreed to in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Issuer or any Restricted Subsidiary thereof in any manner material to the Issuer or any Restricted Subsidiary thereof;

(vii) existing under, by reason of or with respect to any agreement for the sale or other disposition of all or substantially all of the Capital Stock of, or property and assets of, a Restricted Subsidiary that restrict distributions, loans or advances by that Restricted Subsidiary or transfers of such Capital Stock, property or assets pending such sale or other disposition;

(viii) contained in Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness that are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(ix) pursuant to Liens permitted to be incurred under Section 7.7 that limit the right of the debtor to dispose of the assets subject to such Liens;

(x) contained in agreements entered into in connection with Hedging Obligations permitted from time to time under this Indenture;

(xi) constituting customary non-assignment provisions in contracts and licenses entered into in the ordinary course of business;

(xii) existing under restrictions on the transfer of property or assets required by any regulatory authority having jurisdiction over any Restricted Subsidiary of the Issuer or any of their businesses;

(xiii) contained in agreements entered into in the ordinary course of business, not related to any Indebtedness, that do not, individually or in the aggregate, materially detract from the value of property or assets of any Restricted Subsidiary of the Issuer;

(xiv) existing under restrictions on cash or other deposits or net worth imposed by customers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;

(xv) with respect to an Unrestricted Subsidiary of the Issuer pursuant to or by reason of an agreement that the Unrestricted Subsidiary is a party to entered into before the date on which such Unrestricted Subsidiary became a Restricted Subsidiary; provided that such agreement was not entered into in anticipation of the Unrestricted Subsidiary becoming a Restricted Subsidiary and any such encumbrance or restriction shall not extend to any assets or property of the Issuer or any Restricted Subsidiary thereof other than the assets and property so acquired; and

(xvi) any encumbrances or restrictions imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the agreements, instruments or obligations

referred to in clauses (i) through (xv) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, not materially more restrictive, taken as a whole, with respect to such encumbrance and other restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

7.12 Transactions with Affiliates

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into, make, amend, renew or extend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each, an "**Affiliate Transaction**") involving aggregate consideration in excess of $10.0 million for any Affiliate Transaction or series of related Affiliate Transactions, unless:

(i) such Affiliate Transaction is on terms that, taken as a whole, are no less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm's-length transaction by the Issuer or such Restricted Subsidiary with a Person that is not an Affiliate of the Issuer; and

(ii) the Issuer delivers to the Trustee:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10.0 million, a Board Resolution set forth in an Officers' Certificate certifying that such Affiliate Transaction or series of related Affiliate Transactions complies with this covenant and that such Affiliate Transaction or series of related Affiliate Transactions has been approved by a majority of the disinterested members of the Board of Directors of the Issuer; and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $25 million, an Officers' Certificate certifying that, in the good faith determination of the certifying officers, such Affiliate Transaction has undergone an appraisal by a third party which has been approved by a majority of the disinterested directors of the Board of the Directors of the Issuer.

(b) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of Section 7.12(a):

(i) transactions between or among the Issuer and/or its Restricted Subsidiaries;

(ii) payment of reasonable and customary fees to, and reasonable and customary indemnification and similar payments to officers, directors, employees or consultants of the Issuer and its Subsidiaries;

(iii) any Permitted Investments (other than pursuant to clauses (c) and (j) of the definition thereof) or Restricted Payments that are permitted under Section7.9;

(iv) any issuance of Equity Interests (other than Disqualified Stock) of the Issuer to, or receipt of any capital contribution from, any Affiliate of the Issuer;

(v) transactions with a Person (other than an Unrestricted Subsidiary of the Issuer) that is an Affiliate of the Issuer solely because the Issuer owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(vi) transactions pursuant to agreements or arrangements in effect on the Issue Date and described in the Offering Memorandum (including in any of the documents incorporated by reference therein), or any amendment, modification, or supplement thereto or replacement thereof, as long as such agreement or arrangement, as so amended, modified, supplemented or replaced, taken as a whole, is not materially more disadvantageous to, or restrictive on, the Issuer and its Restricted Subsidiaries than the original agreement or arrangement in existence on the Issue Date;

(vii) any employment, consulting, service or termination agreement, employee benefit plan or arrangement, reasonable indemnification arrangements or any similar agreement, plan or arrangement, entered into by the Issuer or any of its Restricted Subsidiaries with officers, directors, consultants or employees of the Issuer or any of its Restricted Subsidiaries and the payment of compensation or benefits to officers, directors, consultants and employees of the Issuer or any of its Subsidiaries (including amounts paid pursuant to employee benefit plans, employee stock option or similar plans), and any payments, indemnities or other transactions permitted or required by law, statutory provisions or any of the foregoing agreements, plans or arrangements; so long as such agreement or payment has been approved by a majority of the disinterested members of the Board of Directors of the Issuer;

(viii) transactions permitted by, and complying with, Section 12.1;

(ix) payment of reasonable and customary fees and reimbursements and expenses (pursuant to indemnity arrangements or otherwise) of officers, directors, employees or consultants of the Issuer, any of its Restricted Subsidiaries, or any direct or indirect parent of the Issuer;

(x) transactions with Affiliates solely in their capacity as holders of Indebtedness or Capital Stock of the Issuer or any of its Subsidiaries, so long as such transaction is with all holders of such class (and there are such non-Affiliate holders) and such Affiliates are treated no more favorably than all other holders of such class generally;

(xi) any agreement between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged or consolidated with or into the Issuer or a Restricted Subsidiary, as such agreement may be amended, modified, supplemented, extended or renewed from time to time; provided that such agreement was not entered into contemplation of such acquisition, merger or consolidation, and so long as any such amendment, modification, supplement, extension or renewal, when taken as a whole, is not materially more disadvantageous to the Holders of the Notes in any material respect, than the applicable agreement as in effect on the date of such acquisition, merger or consolidation;

(xii) transactions with customers, clients, joint ventures, joint venture partners, suppliers, or purchasers or sellers of goods or services that are Affiliates of the Issuer, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture, provided that in the reasonable determination of the Board of Directors of the Issuer, such transactions are on terms not less favorable to the Issuer or the relevant Restricted Subsidiary than those that could reasonably be expected to be obtained in an comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Issuer;

(xiii) payments to an Affiliate in respect of the Notes or any other Indebtedness of the Issuer or any of its Restricted Subsidiaries on the same basis as concurrent payments are made or offered to be made in respect thereof to non-Affiliates or on a basis more favorable to such non-Affiliate; or

(xiv) transactions in which the Issuer or any Restricted Subsidiary of the Issuer, as the case may be, delivers to the Trustee a letter from a Canadian or U.S. nationally recognized accounting, appraisal or investment banking firm stating that the financial terms of such transaction (or a series of related transactions) are fair to the Issuer or such Restricted Subsidiary from a financial point of view or meet the requirements of clause (1) of the first paragraph of this covenant

7.13 Business Activities

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Issuer and its Restricted Subsidiaries taken as a whole; it being understood that the Issuer and its Restricted Subsidiaries shall be deemed to be in compliance with the foregoing covenant in respect of the acquisition of another Person that is primarily engaged in a Permitted Business or the acquisition of business operations that primarily consist of a Permitted Business.

7.14 Repurchase at the Option of Holders – Change of Control

(a) If a Change of Control occurs, the Issuer will be required to make an offer to each Holder of Notes to repurchase all or any part (equal to $1,000 or an integral multiple of $1,000) of that Holder's Notes pursuant to the offer described below (the "**Change of Control Offer**"). In the Change of Control Offer, the Issuer will offer a payment (the "**Change of Control Payment**") in cash equal to not less than 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased to the date of purchase (the "**Change of Control Payment Date**" which date will be no earlier than the date of such Change of Control).

(b) No later than 30 days following any Change of Control, the Issuer will mail or electronically transmit a notice to each Holder describing the transaction or transactions that constitute the Change of Control, offer to repurchase Notes on the Change of Control Payment Date specified in such notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is mailed or electronically transmitted and describe the procedures, as required by this Indenture, that Holders must follow in order to tender Notes (or portions thereof) for payment and withdraw an election to tender Notes (or portion thereof) for payment. Notwithstanding anything to the contrary herein, a Change of Control Offer by the Issuer, or by any third party making a Change of Control Offer in lieu of the Issuer as described below, may be made in advance of a Change of Control, conditional upon such Change of Control if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer.

(c) The Issuer will comply with the requirements of any Applicable Securities Legislation to the extent such requirements are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any Applicable Securities Legislation conflict with the Change of Control provisions of this Indenture, or compliance with the Change of Control provisions of this Indenture would constitute a violation of any such laws or regulations, the Issuer will comply with the Applicable Securities Legislation and will not be deemed to have breached its obligations under the Change of Control provisions of this Indenture by virtue of such compliance.

(d) On or before the Change of Control Payment Date, the Issuer will, to the extent lawful:

(i) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

(e) On the Change of Control Payment Date, the Paying Agent will promptly mail or wire transfer to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each such new note will be in a principal amount of $1,000 or an integral multiple of $1,000 in excess thereof.

(f) The Issuer will advise the Trustee and the Holders of the Notes of the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(g) If the Change of Control Payment Date is on or after a Record Date and on or before the related Interest Payment Date, any accrued and unpaid interest will be paid to the Person in whose name a Note is registered at the close of business on such Record Date, and no other interest will be payable to Holders who tender pursuant to the Change of Control Offer.

(h) If Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer as described below, purchases all of the Notes validly tendered and not withdrawn by such Holders, the Issuer or such third party, as the case may be, will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem or purchase, as applicable, all Notes that remain outstanding following such purchase at a redemption price or purchase price, as the case may be, in cash equal to the applicable Change of Control Payment plus, to the extent not included in the Change of Control Payment, accrued and unpaid interest, if any, to the Redemption Date.

(i) The provisions of Section 7.14 that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of this Indenture are applicable.

(j) Except as described in Section 7.14, the Holders of Notes shall not be permitted to require that the Issuer repurchase or redeem any Notes in the event of a takeover, recapitalization, privatization or similar transaction. In addition, Holders of Notes are not entitled to require the Issuer to purchase their Notes in circumstances involving a significant change in the composition of the Board of Directors of the Issuer.

(k) Notwithstanding anything to the contrary in this Section 7.14, the Issuer will not be required to make a Change of Control Offer upon a Change of Control if:

(i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer; or

(ii) a Redemption Notice has been given pursuant to Section 4.7, unless and until there is a default in payment of the applicable Redemption Price.

7.15 Repurchase at the Option of Holders – Asset Sales

(a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

(i) the Issuer (or the Restricted Subsidiary, as the case may be) receives consideration in respect of such Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of;

(ii) if the Asset Sale would result a disposition of more than 10% of the total assets of the Issuer and each Restricted Subsidiary, the Issuer obtains the consent (which, for greater certainty may be obtained in writing) from Holders of a majority of the aggregate principal amount of the Notes then outstanding; and

(iii) at least 75% of the consideration therefor received by the Issuer or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(A) any liabilities, as shown on the Issuer's or such Restricted Subsidiary's most recently available annual or quarterly balance sheet, of the Issuer or any of its Restricted Subsidiaries (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement or similar agreement that releases the Issuer or such Restricted Subsidiary from further liability;

(B) any notes or other obligations received by the Issuer or any such Restricted Subsidiary in such Asset Sale that are converted within 365 days by the Issuer or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion; and

(C) any Designated Non-cash Consideration received by the Issuer or any of its Restricted Subsidiaries in such Asset Sale, having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (C) (without giving effect to subsequent changes in value that is at the time outstanding), not to exceed 10% of the Consolidated Net Tangible Assets of the Issuer measured at the time the determination is made.

(b) Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Issuer or its Restricted Subsidiaries may apply an amount equal to such Net Proceeds to, at its option, any combination of the following purposes:

(i) to permanently repay, prepay, redeem, purchase or repurchase First-Lien Indebtedness of the Issuer or any of its Restricted Subsidiaries secured by a Lien and, if the Indebtedness so repaid is revolving credit Indebtedness, to correspondingly permanently reduce commitments with respect thereto; or

(ii) to reinvest in new assets and make any capital expenditure in or that is used or useful in a Permitted Business or to purchase Replacement Assets (or enter into a binding agreement to make such capital expenditure or to purchase such Replacement Assets), provided that (A) such capital expenditure or purchase is consummated within the later of (x) 365 days after the receipt of the Net Proceeds from the related Asset Sale and (y) 180 days after the date of such binding agreement and (B) if such capital expenditure or purchase is not consummated within the period set forth in subclause (A) of this Section 7.15(b)(ii) the amount not so applied will be deemed to be Excess Proceeds (as defined below).

(c) Pending the final application of any such Net Proceeds, the Issuer may temporarily reduce revolving credit borrowings or otherwise invest such Net Proceeds in any manner that is not prohibited by this Indenture.

(d) An amount equal to any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraphs will constitute "**Excess Proceeds**." If on any date, the aggregate amount of Excess Proceeds exceeds $5.0 million, then within ten Business Days after such date, the Issuer will make an offer (an "**Asset Sale Offer**") to all Holders of Notes and all holders of other First-Lien Indebtedness that is pari passu with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets, to purchase the maximum principal amount of Notes and such other First-Lien Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of principal amount plus accrued and unpaid interest to the date of purchase (subject to the right of Holders on the relevant record date to receive interest on the relevant interest payment date), and will be payable in cash. The Issuer may satisfy the foregoing obligation with respect to such Excess Proceeds from an Asset Sale by making an Asset Sale Offer in advance of being required to do so by this Indenture (an "**Advance Offer**") with respect to all or part of the available Excess Proceeds (the "**Advance Portion**"). If any Excess Proceeds remain unapplied after the consummation of an Asset Sale Offer, the Issuer and its Restricted Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture; provided that pending any such application, the proceeds of the Asset Sale, whether assets, property or cash, are subject to a First-Priority Lien under Section 8. If the aggregate principal amount of Notes and other First-Lien Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess

Proceeds, the Trustee will select the Notes (and the Issuer or the respective agent for such other First-Lien Indebtedness shall select such other First-Lien Indebtedness) to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Trustee so that only Notes in denominations of $1,000, or in integral multiples of $1,000 in excess thereof, shall be purchased , and the Issuer or the respective agent for such other First-Lien Indebtedness shall make such adjustments for such other First-Lien Indebtedness). Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero (regardless of whether there are any remaining Excess Proceeds upon such completion), and in the case of an Advance Offer, the Advance Portion shall be excluded in subsequent calculations of Excess Proceeds.

(e) Notwithstanding the foregoing, the sale, conveyance or other disposition of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries, taken as a whole, will be governed by Section 7.14 and/or Section 12.1, and not by the provisions of this Section 7.15.

(f) If the Asset Sale Offer purchase date is on or after a Record Date and on or before the related Interest Payment Date, any accrued and unpaid interest will be paid to the Person in whose name a Note is registered at the close of business on such Record Date, and no other interest will be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

(g) Within five Business Days after the Issuer is obligated to make an Asset Sale Offer as described in the preceding paragraphs, the Issuer will deliver a written notice to the Holders, accompanied by such information regarding the Issuer and its Affiliates as the Issuer in good faith believes will enable such Holders to make an informed decision with respect to such Asset Sale Offer. Such notice shall state, among other things, the purchase price and the purchase date, which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is delivered.

(h) Without limiting the foregoing:

(i) any Holder may decline any offer of prepayment pursuant to this Section 7.15; and

(ii) the failure of any such Holder to accept or decline any such offer of prepayment shall be deemed to be an election by such Holder to decline such prepayment.

(i) The Issuer will comply with the requirements of any Applicable Securities Legislation to the extent such requirements are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any Applicable Securities Legislation conflict with the Asset Sale provisions of this Indenture, or compliance with the Asset Sale provisions of this Indenture would constitute a violation of Applicable Securities Legislation, the Issuer will comply with the Applicable Securities Legislation and will not be deemed to have breached its obligations under the Asset Sale provisions of this Indenture by virtue of such compliance.

7.16 Suspension of Covenants

(a) If on any date following the Issue Date:

(i) the Notes receive an Investment Grade Rating from 50% or more of the Designated Rating Organizations that have provided ratings of the Notes ("**Investment Grade Status**"); and

(ii) no Default or Event of Default shall have occurred and be continuing on such date,

then beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (such period, the "**Suspension Period**"), the Sections listed below (the "**Suspended Covenants**") will no longer be applicable to the Notes and any related default provisions of this Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries:

(A) Section 7.9;

(B) Section 7.10;

(C) Section 7.11;

(D) Section 7.12;

(E) Section 7.15; and

(F) Section 12.1(a)(C).

(b) If at any time the Notes cease to have Investment Grade Status, then the Suspended Covenants will thereafter be reinstated as if such covenants had never been suspended (the "**Reversion Date**") and be applicable pursuant to the terms of this Indenture with respect to future events for the benefit of the Notes (including in connection with performing any calculation or assessment to determine compliance with the terms of this Indenture), unless and until the Notes again achieve Investment Grade Status and no Default or Event of Default shall have occurred and be continuing on such date (in which event the Suspended Covenants shall no longer be in effect unless and until the Notes cease to have such Investment Grade Status). Such Suspended Covenants will not, however, be of any effect with regard to the actions of the Issuer and its Restricted Subsidiaries properly taken during the continuance of the Suspension Period.

(c) With respect to the Restricted Payments made after any Reversion Date, the amount of Restricted Payments will be calculated as though Section 7.9 had been in effect prior to, but not during, the Suspension Period. All Indebtedness incurred, or

Disqualified Stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to 7.10(b)(vi). Any encumbrance or restriction of the type specified in Sections 7.11(a)(i), 7.11(a)(ii) and 7.11(a)(iii) entered into (or which the Issuer or any Restricted Subsidiary become legally obligated to enter into) during the Suspension Period will be deemed to have been in effect on the Issue Date so that they are permitted under Section 7.11(b)(i). Any contract, agreement, loan, advance or guarantee with or for the benefit of any Affiliate of the Issuer entered into (or which the Issuer or any Restricted Subsidiary became legally obligated to enter into) during the Suspension Period will be deemed to have been in effect on the Issue Date so that they are permitted under Section 7.12(b)(vi). Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero. During a Suspension Period, the Issuer may not designate any of its Restricted Subsidiaries to be Unrestricted Subsidiaries.

(d) Notwithstanding that the Suspended Covenants may be reinstated, and notwithstanding anything else contained herein:

(i) no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or on the Reversion Date) or after the Suspension Period based solely on events that occurred during the Suspension Period; and

(ii) neither (a) the continued existence, after the Reversion Date, of facts or circumstances or obligations that were incurred or otherwise came into existence during a Suspension Period nor (b) the performance of any such obligations, shall constitute a breach of any covenant set forth in this Indenture or cause a Default or Event of Default thereunder; provided that (1) the Issuer and its Restricted Subsidiaries did not incur or otherwise cause such facts or circumstances or obligations to exist in anticipation of the Notes ceasing to have Investment Grade Status and (2) the Issuer reasonably expected that such incurrence or actions would not result in such ceasing.

(e) The Issuer shall notify the Trustee that the conditions set forth in this Section 7.16(a) have been satisfied; provided that such notification shall not be a condition for the suspension of the covenants set forth above to be effective. The Trustee shall be under no obligation to monitor the ratings of the Notes, determine whether the Notes achieve Investment Grade Status or notify the Holders that the conditions set forth in this Section 7.16(a) have been satisfied.

7.17 Minimum Liquidity

Unless the Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under the caption “Incurrence of Indebtedness”, the Issuer and the Guarantors, on a consolidated basis, will be required to maintain unrestricted cash and/or Cash Equivalents at all times in an aggregate amount of at least $10.0 million.

ARTICLE 8
SECURITY

8.1 Security

As security for the due payment of all principal, interest and any other amounts outstanding under the Notes and performance of all obligations of the Issuer and the Guarantors to each of the Holders, the Collateral Trustee and the Trustee from time to time, under or in respect of each Note, this Indenture, each Supplemental Indenture and each Subsidiary Guarantee, the Issuer shall grant pursuant to the Security Documents, and shall cause each Guarantor to grant pursuant to the Security Documents, in favour of the Collateral Trustee, in its own capacity and as trustee for the Holders and the Trustee:

(a) a first-priority security interest in all present and after-acquired personal property of the Issuer and each Guarantor (other than Excluded Property) including a pledge of the equity interests owned by the Issuer and each Guarantor; and

(b) a collateral assignment of leases in respect of leasehold property and all of the Issuer’s or such Guarantor’s interests therein to the extent required pursuant to Section 7.8 but subject to the provisions of such Section 7.8,

8.2 Equal and Rateable Security

The First-Priority Lien is for the equal and rateable benefit and security of all Holders and the Trustee, without any preference or priority of any Note over any other Note provided. Neither the Issuer nor any Guarantor shall create or permit to exist over any of its present or future assets, property or revenues, any Lien (other than the First-Priority Lien) as security for the Indebtedness of the Issuer evidenced or secured by any Note, unless the benefit of such Lien is extended equally and rateably to all Holders and the Trustee without any preference or priority of any Note over any other Note except.

8.3 Effective Date of Security

The First-Priority Lien shall be effective as of the date of this Indenture whether or not the Notes are issued, or any moneys secured by the Notes are advanced, before or after or at the same time as the execution of this Indenture. The attachment of the First-Priority Lien has not been postponed and the First-Priority Lien shall attach to any particular Collateral as soon as the Issuer or the applicable Guarantor has rights in such Collateral.

8.4 Perfection of Security Interest

The Issuer shall take, and shall cause each Guarantor to take (on the Initial Issue Date in the case of the Initial Guarantors, within 30 days of the Initial Issue Date in the case of the Additional Guarantors and within 30 days of becoming a Guarantor in any other case), such action and execute and deliver to the Collateral Trustee (on its own behalf and on behalf of the Trustee and the Holders) the Security Documents and such other agreements, conveyances, deeds and other documents and instruments and make or cause to be made such filings, registrations or recordations as are necessary to perfect and preserve the First-Priority Lien in favour of the Collateral Trustee on behalf of the Trustee and the Holders (so far as may be possible under the local laws of the jurisdictions where the Collateral is situate) upon any of the Collateral to secure the payment of the indebtedness and performance of the obligations intended to be secured by this Indenture and the Supplemental Indentures together with (if so requested by the Collateral Trustee) an Opinion of Counsel with respect to such matters pertaining to the Security Documents and the perfection of the First-Priority Lien as the Collateral Trustee may reasonably request. Notwithstanding anything in the Indenture or Security Documents to the contrary, the Collateral Agent shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the perfection or maintenance of any security interest created hereunder.

ARTICLE 9
DEFAULT AND ENFORCEMENT

9.1 Events of Default

Unless otherwise provided in a Supplemental Indenture relating to a particular series of Notes, an "**Event of Default**" means any one of the following events:

(a) default for 30 days in the payment when due of interest on the Notes;

(b) default in payment when due of the principal of, or premium, if any, on the Notes (whether at maturity, upon redemption or upon a required repurchase);

(c) failure by the Issuer to comply with its obligations under Section 12.1;

(d) failure by the Issuer or any of its Restricted Subsidiaries for 30 days to comply with the provisions of Section 7.14 or Section 7.15 to the extent not described in Section 9.1(b);

(e) failure by the Issuer or any of its Restricted Subsidiaries for 60 days (or 90 days in the case of a Reporting Failure) after written notice by the Trustee or Holders representing 25% or more of the aggregate principal amount of Notes outstanding to comply with any of the other agreements in this Indenture;

(f) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries) whether

such Indebtedness or guarantee now exists, or is created after the Issue Date, if that default:

(i) is caused by a failure to make any payment on such Indebtedness when due and prior to the expiration of the grace period, if any, provided in such Indebtedness (a "**Payment Default**"); or

(ii) results in the acceleration of such Indebtedness prior to its Stated Maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default which remains outstanding or the maturity of which has been so accelerated for a period of 30 days or more, aggregates $25.0 million or more, provided that if any such Payment Default is cured or waived or any such acceleration is rescinded, as the case may be, such Event of Default under this Indenture and any consequential acceleration of the Notes shall be automatically rescinded, so long as such rescission does not conflict with any judgement or decree;

(g) failure by the Issuer or any of its Restricted Subsidiaries to pay final non-appealable judgments (to the extent such judgments are not paid or covered by in-force insurance provided by a reputable carrier that has the ability to perform and has acknowledged coverage in writing) aggregating in excess of $25.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(h) except as permitted by this Indenture, any Subsidiary Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any such Guarantor, denies or disaffirms its Obligations under its Subsidiary Guarantee;

(i) the Issuer or any Restricted Subsidiary, pursuant to or within the meaning of any Bankruptcy Law:

(i) commences a voluntary case or proceeding;

(ii) applies for or consents to the entry of an order for relief against it in an involuntary case or proceeding;

(iii) applies for or consents to the appointment of a custodian of it or for all or substantially all of its assets; or

(iv) makes a general assignment for the benefit of its creditors;

(j) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that: (i) is for relief against the Issuer or any Restricted Subsidiary as debtor in an involuntary case or proceeding; (ii) appoints a custodian of the Issuer or any Restricted Subsidiary or a custodian for all or any substantial part of the assets of the Issuer or any Restricted Subsidiary; or (iii) orders the liquidation of the Issuer or any Restricted Subsidiary, and, in each such case, the order or decree remains

unstayed and in effect for 60 consecutive days and, in the case of the insolvency of a Restricted Subsidiary, such Restricted Subsidiary remains a Restricted Subsidiary on such 60th day;

(k) if the Noteholder Collateral Platform shall for any reason (other than pursuant to the terms thereof) cease to create a valid and perfected First-Priority Lien on any material portion of the Collateral purported to be covered thereby and the Issuer or the applicable Guarantor does not take all steps reasonably required to provide the Collateral Trustee with a valid and perfected First-Priority Lien against such Collateral within five (5) Business Days of request therefor by the Collateral Trustee.

For greater certainty, for the purposes of this Section 9.1, an Event of Default shall occur with respect to a series of Notes if such Event of Default relates to a Default in the payment of principal, premium (if any), or interest on such series of Notes, in which case references to "Notes" in this Section 9.1 shall refer to Notes of that particular series.

For the purposes of this Article 9, where the Event of Default refers to an Event of Default with respect to a particular series of Notes as described in this Section 9.1, then this Article 9 shall apply mutatis mutandis to the Notes of such series and references in this Article 9 to the "Notes" shall be deemed to be references to Notes of such particular series, as applicable

9.2 Acceleration of Maturity; Rescission, Annulment and Waiver

(a) If an Event of Default occurs and is continuing, the Trustee or the Holders of not less than 25% in aggregate principal amount of the outstanding Notes may, and the Trustee at the request of such Holders shall, (i) declare by notice in writing to the Issuer and (if given by the Holders) to the Trustee, the principal of (and premium, if any) and accrued and unpaid interest to the date of acceleration on, all of the outstanding Notes immediately due and payable and, upon any such declaration, all such amounts will become due and payable immediately, and (ii) deliver an Enforcement Request to the Collateral Trustee or elect that the Holders of Notes shall become Enforcing Noteholders in connection with the delivery of an Enforcement Notice by the Holder of a Pledged Note; provided, however, that if an Event of Default specified in Section 9.1(i) or (j) occurs and is continuing, then subject to applicable law the principal of (and premium, if any) and accrued and unpaid interest on all of the outstanding Notes will thereupon become and be immediately due and payable without any declaration, notice or other action on the part of the Trustee or any Holder.

(b) The Issuer shall deliver to the Trustee, within 10 days after the occurrence thereof, notice of any Payment Default or acceleration referred to in Section 9.1(f)(ii). In addition, for the avoidance of doubt, if an Event of Default specified in Section 9.1(b) occurs in relation to a failure by the Issuer to comply with the

provisions of Section 7.14, "premium" shall include, without duplication to any other amounts included in "premium" for these purposes, the excess of:

(i) the Change of Control Payment that was required to be offered in accordance with Section 7.14, in the event such offer was not made, or, in the event such offer was made, the Change of Control Payment that was required to be paid in accordance with Section 7.14; over

(ii) the principal amount of the Notes that were required to be subject to such offer or payment, as applicable.

(c) At any time after a declaration of acceleration, but before a judgment or decree for payment of the money due has been obtained by the Trustee:

(i) the Holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to the Issuer, the Holders and the Trustee, may rescind and annul such declaration and its consequences if:

(A) all existing Events of Default, other than the non-payment of amounts of principal of (and premium, if any) or interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived; and

(B) such rescission would not conflict with any judgment or decree of a court of competent jurisdiction,

provided that if the Event of Default has occurred by reason of the non-observance or non-performance by the Issuer of any covenant applicable only to one or more series of Notes, then the Holders of a majority of the principal amount of the outstanding Notes of that series shall be entitled to exercise the foregoing power of rescission and the Trustee shall so act and it shall not be necessary to obtain a waiver from the Holders of any other series of Notes; and

(ii) the Trustee, so long as it has not become bound to declare the principal and interest on the Notes (or any of them) to be due and payable, or to obtain or enforce payment of the same, shall have the power to waive any Event of Default if, in the Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor, and in such event to rescind and annul such declaration and its consequences,

provided that no such rescission shall affect any subsequent Default or impair any right consequent thereon.

(d) Notwithstanding Section 9.2(a), in the event of a declaration of acceleration in respect of the Notes because an Event of Default specified in Section 9.1(e) shall have occurred and be continuing, such declaration of acceleration shall be automatically annulled if the Indebtedness that is the subject of such Event of Default has been discharged or the holders thereof have rescinded their declaration of acceleration in respect of such Indebtedness, and written notice of such discharge or rescission, as the case may be, shall have been given to the Trustee by the Issuer

and countersigned by the holders of such Indebtedness or a trustee, fiduciary or agent for such holders, within 30 days after such declaration of acceleration in respect of the Notes, and no other Event of Default has occurred during such 30 day period which has not been cured or waived during such period.

(e) The Holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to the Trustee, may on behalf of the Holders of all Notes waive any existing Default or Event of Default and its consequences under this Indenture, except a Default or Event of Default in the payment of interest on, or principal (or premium, if any) of, Notes; provided that if the Default or Event of Default has occurred by reason of the non-observance or non-performance by the Issuer of any covenant applicable only to one or more series of Notes, then the Holders of a majority of the principal amount of the outstanding Notes of such series shall be entitled to waive such Default or Event of Default and it shall not be necessary to obtain a waiver from the Holders of any other series of Notes.

9.3 Collection of Indebtedness and Suits for Enforcement by Trustee

(a) The Issuer covenants that if:

(i) Default is made in the payment of any instalment of interest on any Note when such interest becomes due and payable and such default continues for a period of 30 days, or

(ii) Default is made in the payment of the principal of (or premium, if any on) any Note at the Maturity thereof and such default continues for a period of three Business Days,

the Issuer will, upon demand of the Trustee, pay to the Trustee for the benefit of the Holders, the whole amount then due and payable on such Notes for principal (and premium, if any) and interest, and interest on any overdue principal (and premium, if any) and, to the extent that payment of such interest shall be legally enforceable, upon any overdue instalment of interest, at the rate borne by the Notes, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

(b) If the Issuer fails to pay such amounts forthwith upon such demand, the Trustee, in its own name as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Issuer or any other obligor (including the Guarantors, if any) upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Issuer or any other obligor upon the Notes, wherever situated.

(c) If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders by such appropriate judicial proceedings as the Trustee shall deem most effective to protect

and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

9.4 Trustee May File Proofs of Claim

(a) In case of any pending receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer and its debts or any other obligor upon the Notes (including the Guarantors, if any), and their debts or the property of the Issuer or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal (and premium, if any) or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding; and

(ii) to collect and receive any moneys or other securities or property payable or deliverable upon the conversion or exchange of such securities or upon any such claims and to distribute the same,

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee hereunder.

(b) Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

9.5 Trustee May Enforce Claims Without Possession of Notes

All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for

the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the rateable benefit of the Holders of the Notes in respect of which such judgment has been recovered.

9.6 Application of Monies by Trustee

(a) Except as herein otherwise expressly provided, any money collected by the Trustee pursuant to this Article 9 shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(i) first, in payment or in reimbursement to the Trustee of its reasonable compensation, costs, charges, expenses, borrowings, advances or other monies furnished or provided by or at the instance of the Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture, with interest thereon as herein provided;

(ii) second, but subject as hereinafter in this Section 9.6 provided, in payment, rateably and proportionately to the Holders, of the principal of and premium (if any) and accrued and unpaid interest and interest on amounts in default on the Notes which shall then be outstanding in the priority of principal first and then premium and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by a resolution of the Holders in accordance with Article 12 and in that case in such order or priority as between principal, premium (if any) and interest as may be directed by such resolution; and

(iii) third, in payment of the surplus, if any, of such monies to the Issuer or its assigns and/or the Guarantors, as the case may be;

provided, however, that no payment shall be made pursuant to Section 9.6(a)(ii) above in respect of the principal, premium or interest on any Notes held, directly or indirectly, by or for the benefit of the Issuer or any Subsidiary of the Issuer (other than any Notes pledged for value and in good faith to a Person other than the Issuer or any Subsidiary of the Issuer but only to the extent of such Person's interest therein), except subject to the prior payment in full of the principal, premium (if any) and interest (if any) on all Notes which are not so held.

(b) The Trustee shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, after reserving thereout such amount as the Trustee may think necessary to provide for the payments mentioned in Section 9.6(a), is insufficient to make a distribution of at least 2% of the aggregate principal amount of the outstanding Notes of each applicable series, but it may retain the money so received by it and invest or deposit the same as provided in Section 13.9 until the money or the investments representing the same, with the income derived therefrom, together with any other

monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall, however, not apply to a final payment or distribution hereunder.

9.7 No Suits by Holders

Except to enforce payment of the principal of, and premium (if any) or interest on any Note (after giving effect to any applicable grace period specified therefor in Section 9.1(a) and 9.1(b)), no Holder shall have any right to institute any action, suit or proceeding at law or in equity with respect to this Indenture or for the appointment of a liquidator, trustee or receiver or for a receiving order under any Bankruptcy Laws or to have the Issuer or any Guarantor wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless the Trustee:

(a) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(b) the Holder or Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such Holder or Holders offer the Trustee indemnity satisfactory to the Trustee against any costs, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

(e) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request,

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and rateable benefit of all the Holders.

9.8 Unconditional Right of Holders to Receive Principal, Premium and Interest

Notwithstanding any other provision in this Indenture, a Holder shall have the right, which is absolute and unconditional, to receive payment, as provided herein of the principal of (and premium, if any) and interest on the Notes held by such Holder on the applicable Maturity date and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

9.9 Restoration of Rights and Remedies

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has

been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Issuer, the Guarantors (if any), the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

9.10 Rights and Remedies Cumulative

Except as otherwise expressly provided herein, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

9.11 Delay or Omission Not Waiver

No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article 9 or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

9.12 Control by Holders

Subject to Section 13.3, the Holders of not less than a majority in principal amount of the outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, provided that:

(a) such direction shall not be in conflict with any rule of law or with this Indenture;

(b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction;

(c) nothing herein shall require the Trustee to take any action under this Indenture or any direction from Holders which might in its reasonable judgment involve any expense or any financial or other liability unless the Trustee shall be furnished with indemnification acceptable to it, acting reasonably, including the advance of funds sufficient in the judgment of the Trustee to satisfy such liability, costs and expenses; and

(d) the Trustee shall have the right to not take any action which might involve it in personal liability or be unjustly prejudicial to the Holders not consenting. For certainty, no Holder shall have any right of action whatsoever against the Trustee as a result of the Trustee acting or refraining from acting under the terms of this Indenture in accordance with the instructions from the Holders.

9.13 Notice of Event of Default

If an Event of Default shall occur and be continuing the Trustee shall, within 30 days after it receives written notice of the occurrence of such Event of Default, give notice of such Event of Default to the Holders in the manner provided in Section 16.2, provided that, notwithstanding the foregoing, unless the Trustee shall have been requested to do so by the Holders of at least 51% of the principal amount of the Notes then outstanding, the Trustee shall not be required to give such notice if the Trustee in good faith shall have determined that the withholding of such notice is in the best interests of the Holders and shall have so advised the Issuer in writing. Notwithstanding the foregoing, notice relating to a Default or Event of Default relating to the payment of principal or interest shall not in any circumstances be withheld.

9.14 Waiver of Stay or Extension Laws

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

9.15 Undertaking for Costs

All parties to this Indenture agree, and each Holder of any Note by such Holder’s acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorney’s fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant.

9.16 Judgment Against the Issuer

The Issuer covenants and agrees with the Trustee that, in case of any judicial or other proceedings to enforce the rights of the Holders, judgment may be rendered against it in favour of the Holders or in favour of the Trustee, as trustee for the Holders, for any amount which may remain due in respect of the Notes of any series and premium (if any) and the interest thereon and any other monies owing hereunder.

9.17 Immunity of Officers and Others

The Holders, the Beneficial Holders and the Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future officer, director, employee, consultant, contractor, incorporator, member, manager, partner or holder of Capital Stock of the Issuer and of any Guarantor or of any successor for the payment of the principal of or premium or interest on any of the Notes or on any covenant, agreement, representation or warranty by the Issuer contained herein or in the Notes. Each Holder and

Beneficial Holder, by accepting its interest in Notes, waives and releases all such claims against, and liability of, such Persons. The waiver and release provided for in this Section 9.17 are part of the consideration for issuance of the Notes.

9.18 Notice of Payment by Trustee

Not less than 15 days' notice shall be given in the manner provided in Section 16.2 by the Trustee to the Holders of Notes of any series of any payment to be made under this Article 9. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture to which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Holders of Notes of the affected series will be entitled to interest only on the balance (if any) of the principal monies, premium (if any) and interest due (if any) to them, respectively, on the relevant Notes, after deduction of the respective amounts payable in respect thereof on the day so fixed.

9.19 Trustee May Demand Production of Notes

The Trustee shall have the right to demand production of the Notes of any series in respect of which any payment of principal, interest or premium (if any) required by this Article 9 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement, upon such indemnity being given to it and to the Issuer as the Trustee shall deem sufficient.

9.20 Statement by Officers

(a) The Issuer shall deliver to the Trustee, within 90 days after the end of each of its fiscal years, a brief certificate from the principal executive officer, principal financial officer or principal accounting officer as to his or her knowledge of compliance by the Issuer and the Restricted Subsidiaries with all conditions and covenants in this Indenture. For purposes of this Section 9.20(a), such compliance shall be determined without regard to any period of grace or requirement of notice under this Indenture.

(b) Upon becoming aware of any Default or Event of Default, the Issuer shall promptly deliver to the Trustee by registered or certified mail or by facsimile transmission an Officers' Certificate, specifying such event, notice or other action giving rise to such Default or Event of Default and the action that the Issuer or Restricted Subsidiary, as applicable, is taking or proposes to take with respect thereto.

ARTICLE 10
DISCHARGE AND DEFEASANCE

10.1 Satisfaction and Discharge

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder (except as to any surviving rights of registration of transfer or exchange of Notes expressly provided for herein), when

(a) either:

(i) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or

(ii) all Notes that have not been delivered to the Trustee for cancellation have become due and payable, including by redemption, by reason of the mailing or electronic transmission of a Redemption Notice or otherwise or will become due and payable within one year and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;

(b) no Default or Event of Default has occurred and is continuing on the date of the deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit);

(c) such deposit will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;

(d) the Issuer or any Guarantor has paid or caused to be paid all sums payable by the Issuer under this Indenture; and

(e) the Issuer has delivered irrevocable written instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or the Redemption Date, as the case may be.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to Section 10.1(a)(ii), the provisions of Sections 10.7 and 10.8 will survive.

10.2 Option to Effect Discharge, Legal Defeasance or Covenant Defeasance

Unless this Section 10.2 is otherwise specified in any series of Notes or Supplemental Indenture providing for Notes of a series to be inapplicable to the Notes of such series, the Issuer may, at the option of the Board of Directors of the Issuer evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 10.3 or 10.4 applied to all outstanding Notes upon compliance with the conditions set forth in this Article 10.

10.3 Legal Defeasance and Discharge

(a) Upon the Issuer's exercise under Section 10.2 of the option applicable to this Section 10.3 in respect of the Notes of any series, the Issuer and each of the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 10.5, be deemed to have been discharged from their Obligations under this Indenture, other than the provisions contemplated to survive as set forth below, with respect to all outstanding Notes of such series on the date the conditions set forth below are satisfied (hereinafter, "**Legal Defeasance**") in respect of such series. For this purpose, Legal Defeasance means that the Issuer and the Guarantors shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes of such series (including the Guarantees thereof), which shall thereafter be deemed to be "outstanding" only for the purposes of Sections 10.6 and 10.8 and the other Sections of this Indenture referred to in paragraphs (i) and (ii) below, and to have satisfied all their other obligations under such Notes and, to the extent applicable to such Notes, this Indenture and the Guarantees (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

(i) the rights of Holders to receive payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due solely out of the trust created pursuant to this Indenture;

(ii) the Issuer's obligations concerning issuing temporary Notes, mutilated, destroyed, lost, or stolen Notes and the maintenance of a register in respect of the Notes;

(iii) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's obligations in connection therewith; and

(iv) provisions of this Section 10.3.

(b) Subject to compliance with Section 10.2, the Issuer may exercise its option under this Section 10.3 notwithstanding the prior exercise of its option under Section 10.4.

10.4 Covenant Defeasance

Unless this Section 10.4 is otherwise specified in any Note or Supplemental Indenture providing for Notes of a series to be inapplicable to the Notes of such series, upon the Issuer's exercise under Section 10.2 of the option applicable to this Section 10.4, the Issuer and each of the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 10.5, be released from each of their obligations under the covenants contained in Sections 7.2 (other than with respect to the Issuer), 7.3, 7.4 7.5, 7.7, 7.8, 7.9, 7.10, 7.11, 7.12, 7.13, 7.14, 7.15, 9.20, 12.1(a)(ii)(C) and 15.1 (collectively, the "**Defeased Covenants**") with respect to the outstanding Notes of any series on and after the date the conditions set forth in Section 10.5 are satisfied (hereinafter, "**Covenant Defeasance**"), and such Notes shall thereafter be deemed not "outstanding" for the purposes of

any direction, waiver, consent or declaration or act of Holders thereof (and the consequences of any thereof) in connection with the Defeased Covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes of the applicable series, the Issuer and the Guarantors may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any Defeased Covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default hereunder, but, except as specified above, the remainder of this Indenture, such Notes and the obligations of the Guarantors under their respective Guarantees shall be unaffected thereby. In addition, upon the Issuer's exercise under Section 10.2 of the option applicable to this Section 10.4, and subject to the satisfaction of the conditions set forth in Section 10.5, none of the events specified in Section 9.1 shall constitute a Default or Event of Default except for the events specified in Section 9.1(i) or 9.1(j).

10.5 Conditions to Legal or Covenant Defeasance

(a) In order to exercise either Legal Defeasance under Section 10.3 or Covenant Defeasance under Section 10.4 with respect to a series of Notes:

(i) the Issuer must deposit or cause to be deposited with the Trustee as trust funds or property in trust for the purpose of making payment on such Notes an amount of cash or Government Securities as will, together with the income to accrue thereon and reinvestment thereof, be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm, or firm of independent public accountants, to pay, satisfy and discharge the entire principal, interest, if any, premium, if any and any other sums due to the Stated Maturity or an optional Redemption Date of the Notes;

(ii) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and the granting of Liens to secure such borrowing);

(iii) the Issuer must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over its other creditors or with the intent of defeating, hindering, delaying, or defrauding any of its other creditors or others;

(iv) the Issuer must deliver to the Trustee: an Opinion of Counsel or an advance tax ruling from the Canada Revenue Agency (or successor agency) to the effect that the Holders and Beneficial Holders of outstanding Notes will not recognize income, gain, or loss for Canadian federal, provincial or territorial income or other tax purposes as a result of such Legal Defeasance or Covenant Defeasance, as the case may be, and will be subject to Canadian Taxes on the same amounts, in the same manner, and at the same times as would have been the case if such Legal Defeasance or Covenant Defeasance, as the case may be, had not occurred;

(v) the Issuer must satisfy the Trustee that it has paid, caused to be paid or made provisions for the payment of all applicable expenses of the Trustee;

(vi) the Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a Default under, any material agreement or instrument (other than the Indenture) to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound; and

(vii) the Issuer must deliver to the Trustee an Officers' Certificate stating that all conditions precedent set forth in Section 10.1 relating to the Legal Defeasance or Covenant Defeasance, as the case may be, have been complied with.

10.6 Application of Trust Funds

(a) Any funds or Government Securities deposited with the Trustee pursuant to Section 10.1 or 10.5 shall be (i) denominated in the currency or denomination of the Notes in respect of which such deposit is made, (ii) irrevocable (except as otherwise set out in this Indenture), and (iii) made under the terms of an escrow and/or trust agreement in form and substance satisfactory to the Trustee and which provides for the due and punctual payment of the principal of, premium, if any, and interest on the Notes being satisfied.

(b) Subject to Section 10.7, any funds or Government Securities deposited with the Trustee pursuant to Section 10.1 or 10.5 in respect of Notes shall be held by the Trustee in trust and applied by it in accordance with the provisions of the applicable Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such funds or Government Securities has been deposited with the Trustee; provided that such funds or Government Securities need not be segregated from other funds or obligations except to the extent required by law.

(c) If the Trustee is unable to apply any funds or Government Securities in accordance with the above provisions by reason of any legal proceeding or any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's and the Guarantors' obligations under this Indenture (including the Guarantees as applicable) and the affected Notes shall be revived and reinstated as though no funds or Government Securities had been deposited pursuant to Section 10.1 and 8.5, as applicable, until such time as the Trustee is permitted to apply all funds or Government Securities in accordance with the above provisions, provided that if the Issuer or any Guarantor has made any payment in respect of principal of, premium, if any, or interest on Notes or, as applicable, other amounts because of the reinstatement of its obligations, the Issuer

and such Guarantor, as applicable, shall be subrogated to the rights of the Holders of such Notes to receive such payment from funds or Government Securities held by the Trustee.

10.7 Repayment to the Issuer

Notwithstanding anything in this Article 10 to the contrary, the Trustee will deliver or pay to the Issuer from time to time upon the request of the Issuer any funds or Government Securities held by it as provided in Section 10.1 or 10.5 which, in the opinion of a nationally recognized firm of independent public accountants selected by the Issuer expressed in a written certification thereof, delivered to the Trustee (which may be the opinion delivered under Section 10.5(a)(iv)), are in excess of the amount thereof that would then be required to be deposited to fully satisfy the obligations of the Issuer under Section 10.1(a)(ii) or to effect an equivalent Legal Defeasance or Covenant Defeasance.

10.8 Continuance of Rights, Duties and Obligations

(a) Where trust funds or trust property have been deposited pursuant to Section 10.1 or 10.5, the Holders and the Issuer shall continue to have and be subject to their respective rights, duties and obligations under Article 2, Article 4 and Article 6.

(b) In the event that, after the deposit of trust funds or trust property pursuant to Section 10.1 or 10.5 in respect of a particular series of Notes, the Issuer is required to make an offer to purchase any outstanding Notes of such series pursuant to the terms hereof, the Issuer shall be entitled to use any trust funds or trust property deposited with the Trustee pursuant to Section 10.1 or 10.5 for the purpose of paying to any Holders of such Notes who have accepted any such offer of the total offer price payable in respect of an offer relating to any such Notes. Upon receipt of an Issuer Order, the Trustee shall be entitled to pay to such Holder from such trust funds or trust property deposited with the Trustee pursuant to Section 10.1 or 10.5 in respect of such Notes which is applicable to the Notes held by such Holders who have accepted any such offer of the Issuer (which amount shall be based on the applicable principal amount of the Notes held by accepting offerees in relation to the aggregate outstanding principal amount of all the Notes).

10.9 Release of Liens

(a) The Liens on the Collateral will be released in whole with respect to the Notes (including Pledged Notes) and the Security Documents, as applicable, upon the occurrence of any of the following:

(i) payment in full in cash of the principal of, accrued and unpaid interest and premium (if any) on, the Notes;

(ii) satisfaction and discharge of the Indenture; or

(iii) legal defeasance or covenant defeasance as set forth under Sections 10.3 or 10.4,

provided that in each case, all amounts owing to the Trustee under the Indenture and the Notes and to the Collateral Trustee under the Security Documents have been paid or otherwise provided for to the reasonable satisfaction of the Trustee and the Collateral Trustee, as applicable. For greater certainty, the Liens on the Collateral shall promptly cease to be for the benefit and security of such Holders with respect to a particular series of Notes or in respect of indebtedness secured by Pledged Notes and the applicable Security Documents upon the payment in full in cash of the principal of, accrued and unpaid interest and premium (if any) on such series of Notes or indebtedness secured by Pledged Notes, as applicable, but such release shall not release or otherwise affect the Liens in favour of Holders of Notes that remain outstanding under the Indenture or any Supplemental Indenture upon the event of such repayment(s).

(b) The Liens on the Collateral will automatically be released with respect to any asset constituting Collateral upon the occurrence of any of the following:

(i) in connection with any disposition of such Collateral to any Person other than the Issuer (but excluding any transaction subject to the covenant described under Section 12.1 if such other Person is required to become the obligor on the Notes) that is permitted by this Indenture; or

(ii) upon the sale or disposition of such Collateral pursuant to the exercise of any rights and remedies by the Collateral Trustee with respect to any Collateral, subject to the Security Documents.

To the extent required by the Indenture (other than in relation to (ii) above), the Issuer will furnish to the Trustee, prior to each proposed release of Collateral the Indenture, an Officer's Certificate and/or an opinion of counsel, each stating that all conditions to the release of the Liens on the Collateral have been satisfied.

ARTICLE 11
MEETINGS OF HOLDERS

11.1 Purpose, Effect and Convention of Meetings

(a) Subject to Section 14.2, wherever in this Indenture a consent, waiver, notice, authorization or resolution of the Holders (or any of them) is required, a meeting may be convened in accordance with this Article 11 to consider and resolve whether such consent, waiver, notice, authorization or resolution should be approved by such Holders. A resolution passed by the affirmative votes of the Holders of at least a majority of the outstanding principal amount of the Notes represented and voting on a poll at a meeting of Holders duly convened for the purpose and held in accordance with the provisions of this Indenture shall constitute conclusively such consent, waiver, notice, authorization or resolution; except for those matters set out in Section 14.2, which shall require the consent of each Holder affected thereby as set out therein.

(b) At any time and from time to time, the Trustee on behalf of the Issuer may and, on receipt of an Issuer Order or a Holders' Request and upon being indemnified and funded for the costs thereof to the reasonable satisfaction of the Trustee by the Issuer or the Holders signing such Holders' Request, will, convene a meeting of all Holders.

(c) If the Trustee fails to convene a meeting after being duly requested as aforesaid (and indemnified and funded as aforesaid), the Issuer or such Holders may themselves convene such meeting and the notice calling such meeting may be signed by such Person as the Issuer or those Holders designate, as applicable. Every such meeting will be held in Vancouver, British Columbia or such other place as the Trustee may in any case determine or approve.

11.2 Notice of Meetings

(a) Not more than 60 days' nor less than at least 21 days' notice of any meeting of the Holders of Notes of any series or of all series then outstanding, as the case may be, shall be given to the Holders of Notes of such series or of all series of Notes then outstanding, as applicable, in the manner provided in Section 16.2 and a copy of such notice shall be sent by post to the Trustee, unless the meeting has been called by it, and to the Issuer, unless such meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 11. The accidental omission to give notice of a meeting to any Holder shall not invalidate any resolution passed at any such meeting. A Holder may waive notice of a meeting either before or after the meeting.

(b) If the business to be transacted at any meeting by resolution of Holder's, or any action to be taken or power exercised by instrument in writing under Section 11.12, especially affects the rights of holders of Notes of one or more series in a manner or to an extent differing in any material way from that in or to which the rights of holders of Notes of any other series are affected (determined as provided in Sections 11.2(c) and 11.2(d)), then:

(i) a reference to such fact, indicating each series of Notes in the opinion of the Trustee (or the Person calling the meeting) so especially affected (hereinafter referred to as the "especially affected series") shall be made in the notice of such meeting, and in any such case the meeting shall be and be deemed to be and is herein referred to as a "Serial Meeting"; and

(ii) the holders of Notes of an especially affected series shall not be bound by any action taken at a Serial Meeting or by instrument in writing under Section 11.12 unless in addition to compliance with the other provisions of this Article 11:

(A) at such Serial Meeting: (I) there are Holders present in person or by proxy and representing at least 25% in principal amount of the Notes then outstanding of such series, subject to the provisions of this Article 11 as to quorum at adjourned meetings; and (II) the

resolution is passed by such proportion of Holders of the principal amount of the Notes of such series then outstanding voted on the resolution as is required by Sections 14.1 or 14.2, as applicable; or

(B) in the case of action taken or power exercised by instrument in writing under Section 11.12, such instrument is signed in one or more counterparts by such proportion of Holders of the principal amount of the Notes of such series then outstanding as is required by Sections 14.1 or 14.2, as applicable.

(c) Subject to Section 11.2(d), the determination as to whether any business to be transacted at a meeting of Holders, or any action to be taken or power to be exercised by instrument in writing under Section 11.12, especially affects the rights of the Holders of one or more series in a manner or to an extent differing in any material way from that in or to which it affects the rights of Holders of any other series (and is therefore an especially affected series) shall be determined by an Opinion of Counsel, which shall be binding on all Holders, the Trustee and the Issuer for all purposes hereof.

(d) A proposal:

(i) to extend the Maturity of Notes of any particular series or to reduce the principal amount thereof, the rate of interest or premium thereon;

(ii) to modify or terminate any covenant or agreement which by its terms is effective only so long as Notes of a particular series are outstanding; or

(iii) to reduce with respect to Holders of any particular series any percentage stated in this Section 11.2 or Sections 11.4 and 11.12;

shall be deemed to especially affect the rights of the Holders of such series in a manner differing in a material way from that in which it affects the rights of holders of Notes of any other series, whether or not a similar extension, reduction, modification or termination is proposed with respect to Notes of any or all other series.

11.3 Chair

Some individual, who need not be a Holder, nominated in writing by the Trustee shall be chair of the meeting and if no individual is so nominated, or if the individual so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, a majority of the Holders present in person or by proxy shall choose some individual present to be chair.

11.4 Quorum

Subject to this Indenture, at any meeting of the Holders of Notes of any series or of all series then outstanding, as the case may be, a quorum shall consist of Holders present in person or by proxy and representing at least 25% of the principal amount of the outstanding Notes of the relevant series or all series then outstanding, as the case may be, and, if the meeting is a Serial Meeting, at

least 25% of the Notes then outstanding of each especially affected series. If a quorum of the Holders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if convened by the Holders or pursuant to a Holders' Request, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Holders present in person or by proxy shall constitute a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 25% of the principal amount of the outstanding Notes of the relevant series or all series then outstanding, as the case may be, or of the Notes then outstanding of each especially affected series. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum be present at the commencement of business.

11.5 Power to Adjourn

The chair of any meeting at which the requisite quorum of the Holders is present may, with the consent of the Holders of a majority in principal amount of the Notes represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

11.6 Voting

On a poll each Holder present in person or represented by a duly appointed proxy shall be entitled to one vote in respect of each $1.00 principal amount of the Notes of the relevant series of Notes of which it is the Holder. A proxyholder need not be a Holder. In the case of joint registered Holders of a Note, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others; but in case more than one of them be present in person or by proxy, they shall vote together in respect of the Notes of which they are joint Holders.

11.7 Poll

A poll will be taken on every resolution submitted for approval at a meeting of Holders, in such manner as the chair directs, and the results of such polls shall be binding on all Holders of the relevant series. Every resolution, other than in respect of those matters set out in Section 14.2, will be decided by a majority of the votes cast on the poll for that resolution.

11.8 Proxies

A Holder may be present and vote at any meeting of Holders by an authorized representative. The Issuer (in case it convenes the meeting) or the Trustee (in any other case) for the purpose of enabling the Holders to be present and vote at any meeting without producing their Notes, and of enabling them to be present and vote at any such meeting by proxy and of depositing instruments appointing such proxies at some place other than the place where the meeting is to be held, may

from time to time make and vary such regulations as it shall think fit providing for and governing any or all of the following matters:

(a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any individual signing on behalf of a Holder;

(b) the deposit of instruments appointing proxies at such place as the Trustee, the Issuer or the Holder convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same must be deposited; and

(c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed, cabled, telegraphed or sent by other electronic means before the meeting to the Issuer or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only Persons who shall be recognized at any meeting as the Holders of any Notes, or as entitled to vote or be present at the meeting in respect thereof, shall be Holders and Persons whom Holders have by instrument in writing duly appointed as their proxies.

11.9 Persons Entitled to Attend Meetings

The Issuer and the Trustee, by their respective directors, officers and employees and the respective legal advisors of the Issuer, the Trustee or any Holder may attend any meeting of the Holders, but shall have no vote as such.

11.10 Powers Cumulative

Any one or more of the powers in this Indenture stated to be exercisable by the Holders by resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Holders to exercise the same or any other such power or powers thereafter from time to time. No powers exercisable by resolution will derogate in any way from the rights of the Issuer pursuant to this Indenture.

11.11 Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Issuer, and any such minutes as aforesaid, if signed by the chair of the meeting at which such resolutions were passed or proceedings had, or by the chair of the next succeeding meeting of the Holders, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

11.12 Instruments in Writing

Any consent, waiver, notice, authorization or resolution of the Holders which may be given by resolution at a meeting of the Holders pursuant to this Article 11 may also be given by the Holders of not less than 51% of the aggregate principal amount of the outstanding Notes of such series by a signed instrument in one or more counterparts, and the expression "resolution" when used in this Indenture will include instruments so signed. Notice of any resolution passed in accordance with this Section 11.12 will be given by the Trustee to the affected Holders within 30 days of the date on which such resolution was passed.

11.13 Binding Effect of Resolutions

Every resolution passed in accordance with the provisions of this Article 11 at a meeting of Holders of a particular series of Notes or of all series then outstanding, as the case may be, shall be binding upon all the Holders of Notes or of the particular series, as the case may be, whether present at or absent from such meeting, and every instrument in writing signed by Holders in accordance with Section 11.12 shall be binding upon all the Holders, whether signatories thereto or not, and each and every Holder and the Trustee (subject to the provisions for its indemnity herein contained) shall, subject to applicable law, be bound to give effect accordingly to every such resolution and instrument in writing. Notwithstanding anything in this Indenture (but subject to the provisions of any indenture, deed or instrument supplemental or ancillary hereto), any covenant or other provision in this Indenture or in any Supplemental Indenture which is expressed to be or is determined by the Trustee (relying on the advice of Counsel) to be effective only with respect to Notes of a particular series, may be modified by the required resolution or consent of the holders of Notes of such series in the same manner as if the Notes of such series were the only Notes outstanding under this Indenture.

11.14 Evidence of Rights of Holders

(a) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Holders may be in any number of concurrent instruments of similar tenor signed or executed by such Holders. Proof of the execution of any such request, direction, notice, consent or other instrument or of a writing appointing any such attorney will be sufficient for any purpose of this Indenture if the fact and date of the execution by any Person of such request, direction, notice, consent or other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take acknowledgements of deeds to be recorded at the place where such certificate is made, that the Person signing such request, direction, notice, consent or other instrument or writing acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution or in any other manner which the Trustee may consider adequate.

(b) Notwithstanding Section 11.14(a), the Trustee may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

ARTICLE 12
SUCCESSORS TO THE ISSUER AND THE RESTRICTED SUBSIDIARIES

12.1 Merger, Consolidation or Sale of Assets

(a) The Issuer will not, directly or indirectly:

(i) consolidate, amalgamate or merge with or into another Person (regardless of whether the Issuer is the surviving Person or one of the Persons that amalgamates with one or more other Persons to form the continuing successor Person); or

(ii) sell, assign, lease, transfer, convey or otherwise dispose of all or substantially all of the properties and assets of the Issuer and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person,

unless:

(A) either: (1) the Issuer is the surviving Person (or one of the Persons that amalgamates with one or more other Persons to form the continuing successor Person); or (2) the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Issuer or one of the Persons that amalgamates with one or more other Persons to form the continuing successor Person) or to which such sale, assignment, transfer, conveyance or other disposition will have been made is a: (i) Person organized or existing under the laws of the United States, any state thereof or the District of Columbia or Canada or any province or territory thereof; and (ii) assumes all the Obligations of the Issuer under the Notes, and this Indenture by operation of law or pursuant to agreements reasonably satisfactory to the Trustee;

(B) immediately after giving effect to such transaction, no Default or Event of Default exists;

(C) immediately after giving effect to such transaction on a pro forma basis and any related financing transactions as if the same had occurred at the beginning of the applicable four quarter period, (1) the Issuer or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Issuer or one of the Persons that amalgamates with one or more other Persons to form the continuing successor Person), or to which such sale, assignment, transfer, conveyance or other disposition will have been made, would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Fixed Charge Coverage Ratio test set forth in Section 7.10(a); or (2) the Consolidated Fixed Charge Coverage Ratio of the Issuer or the Person formed by or

surviving any such consolidation, amalgamation or merger (if other than the Issuer or one of the Persons that amalgamates with one or more other Persons to form the continuing successor Person) or to which such sale, assignment, transfer, conveyance or other disposition will have been made, is equal to or greater than the Consolidated Fixed Charge Coverage Ratio immediately before such transaction; and

(D) each Guarantor, will, pursuant to the terms of its Subsidiary Guarantee agree, that its Subsidiary Guarantee will apply to the Obligations of the Issuer or the surviving or continuing Person in accordance with the Notes and this Indenture (including this covenant).

(b) Upon any consolidation, amalgamation or merger, or any sale, assignment, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries in accordance with this covenant, the continuing successor Person formed by the consolidation or amalgamation or into which the Issuer is merged or to which the sale, assignment, transfer, conveyance or other disposition is made, will succeed to and be substituted for the Issuer, and may exercise every right and power of the Issuer under this Indenture with the same effect as if the successor had been named as the Issuer therein. When the continuing successor Person assumes all of the Issuer's Obligations under this Indenture pursuant to a Supplemental Indenture in form and substance reasonably satisfactory to the Trustee, the Issuer will be discharged from those Obligations; provided, however, that the Issuer shall not be relieved from the Obligation to pay the principal of and interest on the Notes in the case of a lease of all or substantially all of the Issuer's assets.

(c) This Section 12.1 will not apply to:

(i) a merger of the Issuer with an Affiliate solely for the purpose of (1) reincorporating or continuing the Issuer in another jurisdiction or (2) reorganizing the Issuer as a different type of entity;

(ii) a merger, arrangement, amalgamation, continuance, consolidation or re-organization that results in the Issuer reincorporating, continuing or re-domiciling into a jurisdiction within (1) the United States (including any state thereof or the District of Columbia) or (2) Canada (including any province or territory thereof); or

(iii) any consolidation, amalgamation or merger, or any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among the Issuer and its Restricted Subsidiaries.

12.2 Vesting of Powers in Successor

Whenever the conditions of Section 12.1(a) have been duly observed and performed, the Trustee will execute and deliver a Supplemental Indenture as provided for in Section 14.5 and then:

(a) the successor Person will possess and from time to time may exercise each and every right and power of the Issuer or Guarantor under this Indenture in the name of the Issuer or Guarantor, as applicable, or otherwise, and any act or proceeding by any provision of this Indenture required to be done or performed by any directors or officers of the Issuer or Guarantor may be done and performed with like force and effect by the like directors or officers of such successor; and

(b) the Issuer or Guarantor, as applicable, will be released and discharged from liability under this Indenture and the Trustee will execute any documents which it may be advised are necessary or advisable for effecting or evidencing such release and discharge.

ARTICLE 13
CONCERNING THE TRUSTEE

13.1 No Conflict of Interest

The Trustee represents to the Issuer that at the date of execution and delivery by it of this Indenture there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder but if, notwithstanding the provisions of this Section 13.1, such a material conflict of interest exists, or hereafter arises, the validity and enforceability of this Indenture and the Notes of any series shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists or arises.

13.2 Replacement of Trustee or Collateral Trustee

(a) The Trustee or Collateral Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Issuer 90 days' notice in writing or such shorter notice as the Issuer may accept as sufficient. If at any time a material conflict of interest exists in the Trustee's or Collateral Trustee's role as a fiduciary hereunder the Trustee or Collateral Trustee, as applicable, shall, within 30 days after ascertaining that such a material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in this Section 13.2. The validity and enforceability of this Indenture and of the Notes issued hereunder shall not be affected in any manner whatsoever by reason only that such a material conflict of interest exists. In the event of the Trustee or Collateral Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Issuer shall forthwith appoint a new Trustee or Collateral Trustee, as applicable, unless a new Trustee or Collateral Trustee, as applicable, has already been appointed by the Holders in accordance with the provisions hereof. Failing such appointment by the Issuer, the retiring Trustee or Collateral Trustee, as applicable, or any Holder may apply to a judge of the British

Columbia Supreme Court, on such notice as such Judge may direct at the Issuer's expense, for the appointment of a new Trustee or Collateral Trustee, as applicable, but any new Trustee or Collateral Trustee, as applicable, so appointed by the Issuer or by the Court shall be subject to removal as aforesaid by the Holders and the appointment of such new Trustee or Collateral Trustee, as applicable, shall be effective only upon such new Trustee or Collateral Trustee, as applicable, becoming bound by this Indenture. Any new Trustee or Collateral Trustee, as applicable, appointed under any provision of this Section 13.2 shall be a corporation authorized to carry on the business of a trust company in one or more of the Provinces of Canada. On any new appointment the new Trustee or Collateral Trustee, as applicable, shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee or Collateral Trustee, as applicable.

(b) Any entity into which the Trustee or Collateral Trustee, as applicable, may be merged or, with or to which it may be consolidated, amalgamated or sold, or any entity resulting from any merger, consolidation, sale or amalgamation to which the Trustee or Collateral Trustee, as applicable, shall be a party, shall be the successor Trustee or Collateral Trustee, as applicable, under this Indenture without the execution of any instrument or any further act. Nevertheless, upon the written request of the successor Trustee or Collateral Trustee, as applicable, or of the Issuer, the Trustee or Collateral Trustee, as applicable, ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Trustee or Collateral Trustee, as applicable, upon the trusts herein expressed, all the rights, powers and trusts of the retiring Trustee or Collateral Trustee, as applicable, so ceasing to act, and shall duly assign, transfer and deliver all property and money held by such Trustee or Collateral Trustee, as applicable, to the successor Trustee or Collateral Trustee, as applicable, so appointed in its place. Should any deed, conveyance or instrument in writing from the Issuer or any Guarantor be required by any new Trustee or Collateral Trustee, as applicable, for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new Trustee or Collateral Trustee, as applicable, be made, executed, acknowledged and delivered by the Issuer or such Guarantor, as applicable.

13.3 Rights and Duties of Trustee

(a) In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Trustee shall act honestly and in good faith and exercise that degree of care, diligence and skill that a reasonably prudent Trustee would exercise in comparable circumstances. Subject to the foregoing, the Trustee will be liable for its own wilful misconduct or gross negligence. The Trustee will not be liable for any act or default on the part of any agent employed by it or a co-Trustee, or for having permitted any agent or co-Trustee to receive and retain any money payable to the Trustee, except as aforesaid.

(b) The Trustee may, upon any term or condition it specifies, delegate or exercise any of its rights, powers and remedies under, and delegate or perform any of its duties

or any other action with respect to, the Indenture or any Security Document by or through any trustee, co-agent, employee, attorney-in-fact and any other Person. Any such Person shall have the benefit of the rights and protections of this Article 13 to the same extent as the Trustee.

(c) Nothing herein contained shall impose any obligation on the Trustee to see to or require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto or thereto.

(d) The Trustee shall not be:

(i) accountable for the use or application by the Issuer of the Notes or the proceeds thereof;

(ii) responsible to make any calculation with respect to any matter under this Indenture;

(iii) liable for any error in judgment made in good faith unless negligent in ascertaining the pertinent facts;

(iv) responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including, without limitation, any provision of any law or regulation or any act of any governmental authority, acts of God; earthquakes; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communication services; cyberterrorism; accidents; labor disputes; acts of civil or military authority and governmental action; or

(v) bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, or inquiry as to the performance by the Company of any of its covenants in this Indenture.

(e) The Trustee shall have the right to disclose any information disclosed or released to it if, in the reasonable opinion of the Trustee, after consultation with Counsel, it is required to disclose under any applicable laws, court order or administrative directions, or if, in the reasonable opinion of the Trustee, it is required to disclose to its regulatory authority. The Trustee shall not be responsible or liable to any party for any loss or damage arising out of or in any way sustained or incurred or in any way relating to such disclosure.

(f) The Trustee shall not be responsible for any error made or act done by it resulting from reliance upon the signature of any Person on whose signature the Trustee is entitled to act, or refrain from acting, under a specific provision of this Indenture.

(g) The permissive rights of the Trustee enumerated herein shall not be construed as duties.

(h) The Trustee shall be entitled to treat a facsimile, pdf or e-mail communication or communication by other similar electronic means in a form satisfactory to the Trustee from a Person purporting to be (and whom the Trustee, acting reasonably, believes in good faith to be) an authorized representative of the Issuer or a Holder, as sufficient instructions and authority of such party for the Trustee to act and shall have no duty to verify or confirm that Person is so authorized. The Trustee shall have no liability for any losses, liabilities, costs or expenses incurred by it as a result of such reliance upon, or compliance with, such instructions or directions, except to the extent any such losses, cost or expense are the direct result of gross negligence or willful misconduct on the part of the Trustee. The Issuer and the Holders agree: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the method(s) selected by such party; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

13.4 Reliance Upon Declarations, Opinions, etc.

(a) In the exercise of its rights, duties and obligations hereunder the Trustee may, if acting in good faith and subject to Section 13.7, rely, as to the truth of the statements and accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this Indenture or required by the Trustee to be furnished to it in the exercise of its rights and duties hereunder, if the Trustee examines such statutory declarations, opinions, reports or certificates and determines that they comply with Section 13.5, if applicable, and with any other applicable requirements of this Indenture. The Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Without restricting the foregoing, the Trustee may rely on an Opinion of Counsel satisfactory to the Trustee notwithstanding that it is delivered by a solicitor or firm which acts as solicitors for the Issuer.

(b) The Trustee shall have no obligation to ensure or verify compliance with any applicable laws or regulatory requirements on the issue or transfer of any Notes provided such issue or transfer is effected in accordance with the terms of this Indenture. The Trustee shall be entitled to process all transfers and redemptions upon the presumption that such transfer and redemption is permissible pursuant to all applicable laws and regulatory requirements if such transfer and redemption is effected in accordance with the terms of this Indenture. The Trustee shall have no obligation, other than to confer with the Issuer and its Counsel, to ensure that legends appearing on the Notes comply with regulatory requirements or securities laws of any applicable jurisdiction.

13.5 Evidence and Authority to Trustee, Opinions, etc.

(a) The Issuer shall furnish to the Trustee evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Issuer or the Trustee under this Indenture or as a result of any obligation imposed under this Indenture, including without limitation, the authentication and delivery of Notes hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Trustee at the request of or on the application of the Issuer, forthwith if and when (a) such evidence is required by any other Section of this Indenture to be furnished to the Trustee in accordance with the terms of this Section 13.5, or (b) the Trustee, in the exercise of its rights and duties under this Indenture, gives the Issuer written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice. Such evidence shall consist of:

(i) an Officers' Certificate, stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;

(ii) in the case of a condition precedent the satisfaction of which is, by the terms of this Indenture, made subject to review or examination by a solicitor, an Opinion of Counsel that such condition precedent has been complied with in accordance with the terms of this Indenture; and

(iii) in the case of any such condition precedent the satisfaction of which is subject to review or examination by auditors or accountants, an opinion or report of the Issuer's Auditors whom the Trustee for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.

(b) Whenever such evidence relates to a matter other than the authentication and delivery of Notes and the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other appraiser or any other individual whose qualifications give authority to a statement made by such individual, provided that if such report or opinion is furnished by a director, officer or employee of the Issuer it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with Section 13.5(a).

(c) Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in this Indenture shall include (i) a statement by the individual giving the evidence that he or she has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (ii) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are

based, (iii) a statement that, in the belief of the individual giving such evidence, he or she has made such examination or investigation as is necessary to enable him or her to make the statements or give the opinions contained or expressed therein, and (iv) a statement whether in the opinion of such individual the conditions precedent in question have been complied with or satisfied.

(d) In addition to its obligations under Section 9.20, the Issuer shall furnish or cause to be furnished to the Trustee at any time if the Trustee reasonably so requires, an Officers' Certificate certifying that the Issuer has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which would constitute a Default or an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. The Issuer shall, whenever the Trustee so requires, furnish the Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Trustee as to any action or step required or permitted to be taken by the Issuer or as a result of any obligation imposed by this Indenture.

13.6 Officers' Certificates Evidence

Except as otherwise specifically provided or prescribed by this Indenture, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, the Trustee, if acting in good faith, may rely upon an Officers' Certificate.

13.7 Experts, Advisers and Agents

Subject to Sections 13.3 and 13.4, the Trustee may:

(a) employ or retain and act and rely on the opinion or advice of or information obtained from any solicitor, auditor, valuator, engineer, surveyor, appraiser or other expert, whether obtained by the Trustee or by the Issuer, or otherwise, and shall not be liable for acting, or refusing to act, in good faith on any such opinion or advice and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid; and

(b) employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and any solicitors employed or consulted by the Trustee may, but need not be, solicitors for the Issuer.

13.8 Trustee May Deal in Notes

Subject to Sections 13.1 and 13.3, the Trustee may, in its personal or other capacity, buy, sell, lend upon and deal in Notes and generally contract and enter into financial transactions with the Issuer or otherwise, without being liable to account for any profits made thereby. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the British Columbia Supreme Court for permission to continue as Trustee hereunder or resign.

13.9 Investment of Monies Held by Trustee

(a) Any securities, documents of title or other instruments that may at any time be held by the Trustee subject to the trusts hereof may be placed in the deposit vaults of the Trustee or of any Canadian chartered bank or deposited for safe-keeping in the Province of British Columbia with any such bank. In respect of any moneys so held, upon receipt of a written order from a Participant or a Beneficial Holder, the Trustee shall invest the funds in accordance with such written order in Authorized Investments (as defined below). Any such written order from a Participant or a Beneficial Holder shall be provided to the Trustee no later than 9:00 a.m. (Toronto time) on the day on which the investment is to be made. Any such written order from a Participant or a Beneficial Holder received by the Trustee after 9:00 a.m. (Toronto time) or received on a non-Business Day, shall be deemed to have been given prior to 9:00 a.m. (Toronto time) the next Business Day. For certainty, after an Event of Default, the Trustee shall only be obligated to make investments on receipt of appropriate instructions from the Holders by way of a resolution of Holders of at least a majority in principal amount of the Notes represented and voting at a meeting of Holders, or by a resolution in writing.

(b) The Trustee shall have no liability for any loss sustained as a result of any investment selected by and made pursuant to the instructions of the Issuer or the Holders, as applicable, as a result of any liquidation of any investment prior to its maturity or for failure of either the Issuer or the Holders, as applicable, to give the Trustee instructions to liquidate, invest or reinvest amounts held with it. In the absence of written instructions from either the Issuer or the Holders as to investment of funds held by it, such funds shall be held uninvested by the Trustee without liability for interest thereon.

(c) For the purposes of this section, "**Authorized Investments**" means short term interest bearing or discount debt obligations issued or guaranteed by the government of Canada or a Province or a Canadian chartered bank (which may include an affiliate (as defined in this section) or related party of the Trustee) provided that such obligation is rated at least R1 (middle) by DBRS or an equivalent rating service. For certainty, the Issuer and the Holders acknowledge and agree that the Trustee has no obligation or liability to confirm or verify that investment instructions delivered pursuant to this Section 13.9 comply with the definition of Authorized Investments.

13.10 Trustee Not Ordinarily Bound

Except as provided in Section 9.2 and as otherwise specifically provided herein, the Trustee shall not, subject to Section 13.3, be bound to give notice to any Person of the execution hereof, nor to do, observe or perform or see to the observance or performance by the Issuer of any of the obligations herein imposed upon the Issuer or of the covenants on the part of the Issuer herein contained, nor in any way to supervise or interfere with the conduct of the Issuer's business, unless the Trustee shall have been required to do so in writing by the Holders of not less than 25% of the aggregate principal amount of the Notes then outstanding, and then only after it shall have been funded and indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

13.11 Trustee Not Required to Give Security

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

13.12 Trustee Not Bound to Act on Issuer's Request

Except as in this Indenture otherwise specifically provided, the Trustee shall not be bound to act in accordance with any direction or request of the Issuer until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

13.13 Conditions Precedent to Trustee's Obligations to Act Hereunder

(a) The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Trustee and of the Holders hereunder shall be conditional upon any one or more Holders furnishing when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.

(b) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

(c) The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding require the Holders of Notes of a series at whose instance it is acting to deposit with the Trustee such Notes held by them for which Notes the Trustee shall issue receipts.

(d) Unless an action is expressly directed or required herein, the Trustee shall request instructions from the Holders with respect to any actions or approvals which, by

the terms of this Indenture, the Trustee is permitted to take or to grant (including any such actions or approvals that are to be taken in the Trustee's "discretion" or "opinion", or to its "satisfaction", or words to similar effect), and the Trustee shall refrain from taking any such action or withholding any such approval and shall not be under any liability whatsoever as a result thereof until it shall have received such instructions by way of resolution from the Holders in accordance with this Indenture.

13.14 Authority to Carry on Business

The Trustee represents to the Issuer that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in the Provinces of British Columbia and Alberta but if, notwithstanding the provisions of this Section 13.14, it ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the securities issued hereunder shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 90 days after ceasing to be authorized to carry on the business of a trust company in any province of Canada, either become so authorized or resign in the manner and with the effect specified in Section 13.2.

13.15 Compensation and Indemnity

(a) The Issuer shall pay to the Trustee from time to time compensation for its services hereunder as agreed separately by the Issuer and the Trustee, and shall pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of its duties under this Indenture (including the reasonable and documented compensation and disbursements of its Counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Trustee under this Indenture shall be finally and fully performed. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust.

(b) The Issuer hereby indemnifies and saves harmless the Trustee and its directors, officers, agents, employees and shareholders from and against any and all loss, damages, charges, expenses, claims, demands, actions or liability whatsoever which may be brought against the Trustee or which it may suffer or incur as a result of or arising out of the performance of its duties and obligations hereunder save only in the event of the gross negligence or wilful misconduct of the Trustee. This indemnity will survive the termination or discharge of this Indenture and the resignation or removal of the Trustee. The Trustee shall notify the Issuer promptly of any claim for which it may seek indemnity. The Issuer shall defend the claim and the Trustee shall cooperate in the defence. The Trustee may have separate Counsel and the Issuer shall pay the reasonable fees and expenses of such Counsel. The Issuer need not pay for any settlement made without its consent, which consent must not be unreasonably withheld. This indemnity shall survive the resignation or removal of the Trustee or the discharge of this Indenture.

(c) The Issuer need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through gross negligence or wilful misconduct on the part of the Trustee.

13.16 Acceptance of Trust

The Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various Persons who shall from time to time be Holders, subject to all the terms and conditions herein set forth.

13.17 Anti-Money Laundering

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment, acting reasonably, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' prior written notice sent to all parties hereto; provided that (A) the written notice shall describe the circumstances of such non-compliance; and (B) if such circumstances are rectified to the Trustee's satisfaction within such 10 day period, then such resignation shall not be effective.

13.18 Privacy

(a) The parties hereto acknowledge that the Trustee may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(i) to provide the services required under this Indenture and other services that may be requested from time to time;

(ii) to help the Trustee manage its servicing relationships with such individuals;

(iii) to meet the Trustee's legal and regulatory requirements; and

(iv) if social insurance numbers are collected by the Trustee, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

(b) Each party acknowledges and agrees that the Trustee may receive, collect, use and disclose personal information provided to it or acquired by it in the course of providing services under this Indenture for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Trustee shall make available on its website or upon request, including revisions

thereto. The Trustee may transfer some of that personal information to service providers in the United States for data processing and/or storage. Further, each party agrees that it shall not provide or cause to be provided to the Trustee any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

ARTICLE 14
AMENDMENT, SUPPLEMENT AND WAIVER

14.1 Ordinary Consent

Except as provided in Sections 14.2 and 14.3, with the affirmative votes of the Holders of at least a majority in principal amount of the Notes represented and voting at a meeting of Holders, or by a resolution in writing of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes):

(a) this Indenture, the Notes and the Guarantees may each be amended or supplemented, and

(b) any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal or, premium (if any) or interest on the Notes, except such Default or Event of Default resulting from an acceleration that has been rescinded) or lack of compliance with any provision of this Indenture, the Notes or the Guarantees may be waived,

provided that if any such amendment, supplement or waiver affects only one or more series of Notes, then consent to such amendment, supplement or waiver shall only be required to be obtained from the Holders of such affected series of Notes.

14.2 Special Consent

(a) Notwithstanding Section 14.1, without the consent of, or a resolution passed by the affirmative votes of or signed by each Holder affected, an amendment, supplement or waiver may not (with respect to any Notes of any series held by a non-consenting Holder):

(i) reduce the principal amount of Notes of any series whose Holders must consent to an amendment, supplement or waiver;

(ii) reduce the principal of or change the fixed maturity of any Note or alter the provisions, or waive any payment with respect to the redemption of the Notes (other than with respect to any required notice periods); provided, however, that solely for the avoidance of doubt, and without any other implication, any purchase or repurchase of Notes, including pursuant Sections 7.14 and 7.15, as distinguished from any redemption of Notes, shall not be deemed a redemption of the Notes;

(iii) reduce the rate of or change the time for payment of interest on any Note;

(iv) waive a Default or Event of Default in the payment of principal of, or interest, or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the Payment Default that resulted from such acceleration);

(v) make any note payable in money other than U.S. dollars;

(vi) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of, or interest or premium, if any, on, the Notes;

(vii) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes or the Subsidiary Guarantees;

(viii) amend or modify any of the provisions of this Indenture or the related definitions affecting the ranking of the Notes or any Subsidiary Guarantee in any manner adverse to the Holders of the Notes or any Guarantee;

(ix) expressly subordinate the Notes or any Subsidiary Guarantees in right of payment to any other Indebtedness of the Issuer or any Guarantor;

(x) make any change in the amending and waiver provisions under this Article 14;

(xi) release any Guarantor from any of its Obligations under its Subsidiary Guarantee, or this Indenture, except in accordance with the terms of this Indenture;

(xii) waive, amend, change or modify the obligation of the Issuer to make and consummate an Asset Sale Offer with respect to any Asset Sale in accordance with Section 7.15 after the obligation to make such Asset Sale Offer has arisen, including amending, changing or modifying any definition relating thereto;

(xiii) waive, amend, change or modify in any material respect the Issuer's obligation to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with Section 7.14 after the occurrence of such Change of Control, including amending, changing or modifying any definition relating thereto; or

(xiv) release a material portion of the Collateral from the First-Priority Lien, other than in accordance with the terms of the Security Documents and/or this Indenture;

14.3 Without Consent

Notwithstanding Sections 14.1 and 14.2, without the consent of any Holder, the Issuer, the Guarantors and the Trustee may amend or supplement this Indenture, the Notes or the Subsidiary Guarantees to:

(a) cure any ambiguity, defect or inconsistency;

(b) provide for uncertificated Notes in addition to or in place of certificated Notes;

(c) provide for the assumption of the Issuer's or any Guarantor's Obligations to Holders of Notes in the case of a merger, amalgamation or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets or otherwise comply with Section 12.1;

(d) make any change that would provide any additional rights or benefits to the Holders of Notes or that does not materially adversely affect the legal rights under this Indenture of any Holder of Notes;

(e) add any Subsidiary Guarantee or to effect the release of a Guarantor from its Subsidiary Guarantee, all in accordance with the provisions of this Indenture governing such release and termination or to otherwise comply with Article 15;

(f) secure the Notes or any Subsidiary Guarantees or any other Obligation under this Indenture;

(g) evidence and provide for the acceptance of appointment by a successor Trustee;

(h) conform the text of this Indenture, the Notes or the Subsidiary Guarantees to any provision of the Description of Notes to the extent that such provision in this Indenture, the Notes or the Subsidiary Guarantees was intended to be a verbatim recitation of a provision of the Description of Notes;

(i) provide for the issuance of Additional Notes in accordance with this Indenture;

(j) to enter into additional or supplemental Security Documents or to add additional parties to the Security Documents to the extent permitted thereunder and under this Indenture;

(k) allow any Guarantor to execute a Subsidiary Guarantee; or

(l) to release Collateral from the First-Priority Liens when permitted or required by this Indenture and the Security Documents or add assets to Collateral to secure First-Lien Indebtedness to the extent such Indebtedness is permitted under this Indenture.

14.4 Form of Consent

It is not necessary for the consent of the Holders under Section 14.1 or 14.2 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

14.5 Supplemental Indentures

(a) Subject to the provisions of this Indenture, the Issuer and the Trustee may from time to time execute, acknowledge and deliver Supplemental Indentures which thereafter shall form part of this Indenture, for any one or more of the following purposes:

(i) establishing the terms of any series of Notes and the forms and denominations in which they may be issued as provided in Article 2;

(ii) making such amendments not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Notes of any series which do not affect the substance thereof and which in the opinion of the Trustee relying on an Opinion of Counsel will not be materially prejudicial to the interests of Holders;

(iii) rectifying typographical, clerical or other manifest errors contained in this Indenture or any Supplemental Indenture, or making any modification to this Indenture or any Supplemental Indenture which, in the opinion of Counsel, are of a formal, minor or technical nature and that are not materially prejudicial to the interests of the Holders;

(iv) to give effect to any amendment or supplement to this Indenture or the Notes of any series made in accordance with Sections 14.1, 14.2 or 14.3;

(v) evidencing the succession, or successive successions, of others to the Issuer or any Guarantor and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture; or

(vi) for any other purpose not inconsistent with the terms of this Indenture, provided that in the opinion of the Trustee (relying on an Opinion of Counsel) the rights of neither the Holders nor the Trustee are materially prejudiced thereby.

(b) Unless this Indenture expressly requires the consent or concurrence of Holders, the consent or concurrence of Holders shall not be required in connection with the execution, acknowledgement or delivery of a Supplemental Indenture contemplated by this Indenture.

(c) Upon receipt by the Trustee of (i) an Issuer Order accompanied by a Board Resolution authorizing the execution of any such Supplemental Indenture, and (ii) an Officers' Certificate stating that such amended or Supplemental Indenture

complies with this Section 14.5, the Trustee shall join with the Issuer and the Guarantors in the execution of any amended or Supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained.

(d) This Section 14.5 shall apply, as the context requires, to any assumption agreement or instrument contemplated by Section 12.1(a)(ii)(A).

ARTICLE 15
GUARANTEES

15.1 Issuance of Guarantees

(a) The Initial Guarantors shall execute and deliver to the Collateral Trustee a Subsidiary Guarantee in the form attached hereto as Appendix B on the Initial Issue Date. Better-Gro Companies LLC shall execute and deliver to the Collateral Trustee a Subsidiary Guarantee at such time as Better-Gro Companies LLC becomes wholly-owned, directly or indirectly, by the Issuer or is required to do so in order to comply with Section 15.1(b), in either case accompanied by the Opinion of Counsel required by Section 15.1(b). The Additional Guarantors shall, within 30 days of the Initial Issue Date, execute and deliver to the Collateral Trustee a Subsidiary Guarantee together with (but only if the Collateral Trustee so requests in writing with respect to any such Additional Guarantor) an Opinion of Counsel (which may contain customary exceptions) that such Subsidiary Guarantee has been duly authorized, executed and delivered by such Restricted Subsidiary and constitutes a legal, valid and binding obligation of such Restricted Subsidiary enforceable against such Restricted Subsidiary in accordance with its terms.

(b) The Issuer will not permit any of its Restricted Subsidiaries, directly or indirectly, to guarantee or otherwise Incur any Indebtedness (without regard to "Indebtedness" as defined in clause (x) of the second paragraph of the definition of the term "Indebtedness") that, individually or in the aggregate with all other of its then outstanding Indebtedness (without regard to "Indebtedness" as defined in clause (x) of the second paragraph of the definition of the term "Indebtedness"), exceeds at any time $2.0 million, unless such Restricted Subsidiary is a Guarantor or within 30 days of such Incurrence, executes and delivers to the Collateral Trustee a Subsidiary Guarantee and an Opinion of Counsel (which may contain customary exceptions) that such Subsidiary Guarantee has been duly authorized, executed and delivered by such Restricted Subsidiary and constitutes a legal, valid and binding obligation of such Restricted Subsidiary enforceable against such Restricted Subsidiary in accordance with its terms.

(c) The obligations of each Guarantor formed under the laws of the United States or any state thereof or the District of Columbia will be limited to the maximum amount that will result in the obligations of such Guarantor under its Subsidiary Guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law.

(d) The Issuer may also elect to cause any other Restricted Subsidiary to issue a Subsidiary Guarantee and become a Guarantor.

(e) Except as set out in Section 15.2(a), a Guarantor may not sell, assign, transfer, convey or otherwise dispose of all or substantially all of its assets, in one or more related transactions, to, or consolidate or amalgamate with or merge with or into (regardless of whether such Guarantor is the surviving Person), another Person, other than the Issuer or another Guarantor, unless:

(i) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(ii) either:

(A) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Guarantor) is organized or existing under the laws of (1) the United States, any state thereof or the District of Columbia, (2) Canada or any province or territory thereof or (3) the jurisdiction of organization of the Guarantor, and assumes all the Obligations of that Guarantor under this Indenture and its Subsidiary Guarantee by operation of law or pursuant to any agreement reasonably satisfactory to the Trustee; or

(B) such sale or other disposition or consolidation, amalgamation or merger complies with Section 7.15.

15.2 Release of Guarantees

(a) The Subsidiary Guarantee of a Guarantor will be automatically released:

(i) in connection with any sale, assignment, transfer, conveyance or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger, consolidation or otherwise), in one or more related transactions, to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if the sale or other disposition does not violate Section 7.15;

(ii) in connection with any sale or other disposition of the Capital Stock of a Guarantor to a Person that is not (either before or after giving effect to such transaction) a Restricted Subsidiary of the Issuer after which such Guarantor is no longer a Subsidiary of the Issuer, if the sale of such Capital Stock of that Guarantor complies with Section 7.15;

(iii) if the Issuer properly designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary under this Indenture;

(iv) if the Guarantor is released in full from its obligations under any other Indebtedness which resulted in the creation of such Subsidiary Guarantee pursuant to this covenant; or

(v) upon Legal Defeasance, Covenant Defeasance or satisfaction and discharge of this Indenture as provided above under Article 10.

(b) The Trustee shall promptly execute and deliver a release together with all instruments and other documents reasonably requested by the Issuer or the applicable Restricted Subsidiary to evidence the release and termination of any Guarantee upon receipt of a request by the Issuer accompanied by an Officers' Certificate certifying as to compliance with this Section 15.2.

ARTICLE 16
NOTICES

16.1 Notice to Issuer

Any notice to the Issuer under the provisions of this Indenture shall be valid and effective (i) if delivered to the Issuer at 680 Fifth Ave., 24th Floor, New York, New York, 10019., Attention: Nicholas Vita, Chief Executive Officer, (ii) if delivered by email to nkv@col-care.com, immediately upon sending the email, provided that if such email is not sent during the normal business hours of the recipient, such email shall be deemed to have been sent at the opening of business on the next business day for the recipient, or (iii) if given by registered letter, postage prepaid, to such office and so addressed and if mailed, five days following the mailing thereof. The Issuer may from time to time notify the Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Issuer for all purposes of this Indenture.

16.2 Notice to Holders

(a) All notices to be given hereunder with respect to the Notes shall be deemed to be validly given to the Holders thereof if sent by first class mail, postage prepaid, or, if agreed to by the applicable recipient, by email, by letter or circular addressed to such Holders at their post office addresses appearing in any of the registers hereinbefore mentioned and shall be deemed to have been effectively given five days following the day of mailing, or immediately upon sending the email, provided that if such email is not sent during the normal business hours of the recipient, such email shall be deemed to have been sent at the opening of business on the next business day for the recipient, as applicable. Accidental error or omission in giving notice or accidental failure to mail notice to any Holder or the inability of the Issuer to give or mail any notice due to anything beyond the reasonable control of the Issuer shall not invalidate any action or proceeding founded thereon.

(b) If any notice given in accordance with Section 16.2(a) would be unlikely to reach the Holders to whom it is addressed in the ordinary course of post by reason of an interruption in mail service, whether at the place of dispatch or receipt or both, the Issuer shall give such notice by publication at least once in a daily newspaper of general national circulation in Canada.

(c) Any notice given to Holders by publication shall be deemed to have been given on the day on which publication shall have been effected at least once in each of the newspapers in which publication was required.

(d) All notices with respect to any Note may be given to whichever one of the Holders thereof (if more than one) is named first in the registers hereinbefore mentioned, and any notice so given shall be sufficient notice to all Holders of any Persons interested in such Note.

16.3 Notice to Trustee or Collateral Trustee

Any notice to the Trustee or Collateral Trustee under the provisions of this Indenture shall be valid and effective: (i) if delivered to the Trustee at its principal office in the City of Vancouver, British Columbia at 323 – 409 Granville Street, Vancouver, British Columbia V6C 1T2, Attention: Corporate Trust, (ii) if delivered by email to dsander@odysseytrust.com, immediately upon sending the email, provided that if such email is not sent during the normal business hours of the recipient, such email shall be deemed to have been sent at the opening of business on the next business day for the recipient, or (iii) if given by registered letter, postage prepaid, to such office and so addressed and, if mailed, shall be deemed to have been effectively given five days following the mailing thereof.

16.4 Mail Service Interruption

If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Trustee would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to Section 16.3, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Section 16.3.

ARTICLE 17
MISCELLANEOUS

17.1 Copies of Indenture

Any Holder may obtain a copy of this Indenture without charge by writing to the Issuer at 3494 Martin Hurst Road, Tallahassee, FL 32312, Attention: Eric Powers, General Counsel.

17.2 Force Majeure

Except for the payment obligations of the Issuer contained herein, neither the Issuer nor the Trustee shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 17.2.

17.3 Waiver of Jury Trial

EACH OF THE ISSUER, THE GUARANTORS AND THE TRUSTEE HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS INDENTURE, THE NOTES OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS INDENTURE. The scope of this waiver is intended to encompass any and all disputes that may be filed in any court and that relate to the subject matter of this Indenture, including contract claims, tort claims, breach of duty claims, and all other common law and statutory claims. Each party hereto acknowledges that this waiver is a material inducement to enter into a business relationship, that such party has already relied on the waiver in entering into this Indenture, and that such party shall continue to rely on the waiver in its related future dealings. Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel, and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. In the event of litigation, this Indenture may be filed as a written consent to a trial by the court without a jury.

ARTICLE 18
EXECUTION AND FORMAL DATE

18.1 Execution

This Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Delivery of an executed signature page to this Indenture by any party hereto by facsimile transmission or PDF shall be as effective as delivery of a manually executed copy of this Indenture by such party.

18.2 Formal Date

For the purpose of convenience, this Indenture may be referred to as bearing the formal date of May 14, 2020, irrespective of the actual date of execution hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS whereof the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers in that behalf.

ISSUER:

COLUMBIA CARE INC.

Per: /s/ Nicholas Vita
Name: Nicholas Vita
Title: CEO

TRUSTEE:

ODYSSEY TRUST COMPANY

Per: _____
Name:
Title:

Per: _____
Name:
Title:

IN WITNESS whereof the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers in that behalf.

ISSUER:

COLUMBIA CARE INC.

Per: _____
Name:
Title:

TRUSTEE:

ODYSSEY TRUST COMPANY

Per: /s/ Dan Sander
Name: Dan Sander
Title: VP, Corporate Trust

Per: /s/ Amy Douglas
Name: Amy Douglas
Title: Director, Corporate Trust

APPENDIX A

FORM OF 2023 NOTE

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THIS INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR NOTES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THIS INDENTURE. EVERY NOTE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE SHALL BE A GLOBAL NOTE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THIS INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO COLUMBIA CARE INC. CANNABIS CORP. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE. [INSERT GLOBAL NOTES LEGEND FOR ALL GLOBAL NOTES]

For Notes originally issued for the benefit or account of a U.S. Holder (other than an Original U.S. Holder), and each Definitive Note issued in exchange therefor or in substitution thereof, also include the following legends:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "ISSUER"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO

(C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER MUST FIRST BE PROVIDED TO ODYSSEY TRUST COMPANY AND TO THE ISSUER TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

CUSIP ●

ISIN CA ●

No. ● US$ ●

COLUMBIA CARE INC.

(a corporation formed under the laws of *the Business Corporations Act (British Columbia)*)

13% SENIOR SECURED NOTES DUE MAY 14, 2023

COLUMBIA CARE INC. (the "Issuer") for value received hereby acknowledges itself indebted and, subject to the provisions of the trust indenture dated as of May 14, 2020 (the "Indenture") between the Issuer and Odyssey Trust Company (the "Trustee"), promises to pay to the registered holder hereof on May 14, 2023 (the "Stated Maturity") (unless extended to May 14, 2024 in accordance with the terms of the Indenture) or on such earlier date as the principal amount hereof may become due in accordance with the provisions of this Indenture the principal sum of ● million dollars ($[●]) in lawful money of the United States of America on presentation and surrender of this Note (the "Note") at the main branch of the Trustee in Vancouver, British Columbia, in accordance with the terms of this Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof (i) from and including the date hereof, or (ii) from and including the last Interest Payment Date to which interest shall have been paid or made available for payment hereon, whichever shall be the later, in all cases, to and excluding the next Interest Payment Date, at the rate of 13% per annum, in like money, calculated and payable semi-annually in arrears on May 31 and November 30 in each year commencing on November 30, 2020, and the last payment (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity of this Note) to fall due on the Maturity of this Note and, should the Issuer at any time make default in the payment of any principal or interest, to pay interest on the amount in default at a rate that is 1% higher than the applicable interest rate on the Notes, in like money and on the same dates.

Interest on this Note will be computed on the basis of a 365-day or 366-day year, as applicable, and will be payable in equal semi-annual amounts; provided that for any Interest Period that is shorter than a full semi-annual interest period, interest shall be calculated on the basis of a year of 365 days or 366 days, as applicable, and the actual number of days elapsed in that period.

If the date for payment of any amount of principal, premium or interest is not a Business Day at the place of payment, then payment will be made on the next Business Day and the holder hereof will not be entitled to any further interest on such principal, or to any interest on such interest, premium or other amount so payable, in respect of the period from the date for payment to such next Business Day.

Interest hereon shall be payable by cheque mailed by prepaid ordinary mail or by electronic transfer of funds to the registered holder hereof and, subject to the provisions of this Indenture, the mailing of such cheque or the electronic transfer of such funds shall, to the extent of the sum represented thereby (plus the amount of any Taxes deducted or withheld), satisfy and discharge all liability for interest on this Note.

This Note is one of the 2023 Notes of the Issuer issued under the provisions of this Indenture. Reference is hereby expressly made to this Indenture for a description of the terms and conditions upon which this Note and other Notes of the Issuer are or are to be issued and held and the rights and remedies of the holder of this Note and other Notes and of the Issuer and of the Trustee, all to the same effect as if the provisions of this Indenture were herein set forth to all of which provisions the holder of this Note by acceptance hereof assents.

2023 Notes are issuable at a price of $1,000 per $1,000 of principal amount and only in denominations of $1,000 and integral multiples of $1,000. Upon compliance with the provisions of this Indenture, Notes of any denomination may be exchanged for an equal aggregate principal amount of Notes in any other authorized denomination or denominations.

The indebtedness evidenced by this Note, and by all other 2023 Notes now or hereafter certified and delivered under this Indenture, is a direct senior secured obligation of the Issuer.

The principal hereof may become or be declared due and payable before the Stated Maturity in the events, in the manner, with the effect and at the times provided in this Indenture.

This Note may be redeemed at the option of the Issuer on the terms and conditions set out in this Indenture at the Redemption Price therein. The right is reserved to the Issuer to purchase Notes (including this Note) for cancellation in accordance with the provisions of this Indenture.

Upon the occurrence of a Change of Control, the Holders may require the Issuer to repurchase such Holder’s Notes, in whole or in part, at a purchase price in cash equal to 101% of the principal amount of such Notes, plus accrued and unpaid interest, if any, to the date of purchase.

This Indenture contains provisions making binding upon all Holders of Notes outstanding thereunder resolutions passed at meetings of such Holders held in accordance with such provisions and instruments signed by the Holders of a specified majority of Notes outstanding (or certain series of Notes outstanding), which resolutions or instruments may have the effect of amending the terms of this Note or this Indenture.

This Note may only be transferred, upon compliance with the conditions prescribed in this Indenture, in one of the registers to be kept at the principal office of the Trustee in Vancouver, British Columbia and in such other place or places and/or by such other Registrars (if any) as the Issuer with the approval of the Trustee may designate. No transfer of this Note shall be valid unless made on the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable

requirements as the Trustee and/or other registrar may prescribe and upon surrender of this Note for cancellation. Thereupon a new Note or Notes in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Note shall not become obligatory for any purpose until it shall have been authenticated by the Trustee under this Indenture.

This Note and this Indenture are governed by, and are to be construed and enforced in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein.

Capitalized words or expressions used in this Notes shall, unless otherwise defined herein, have the meaning ascribed thereto in this Indenture.

IN WITNESS WHEREOF COLUMBIA CARE INC. has caused this Note to be signed by its authorized representatives as of [_____], 202__.

COLUMBIA CARE INC.

Per: _____
Name:
Title:

(FORM OF TRUSTEE'S CERTIFICATE)

This Note is one of the Columbia Care Inc. 13% Senior Secured Notes due May 14, 2023 referred to in this Indenture within mentioned.

ODYSSEY TRUST COMPANY

Per: _____
Name:
Title:

Per: _____
Name:
Title:

(FORM OF REGISTRATION PANEL)

(No writing hereon except by Trustee or other registrar)

Date of Registration	In Whose Name Registered	Signature of Trustee or Registrar

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable are set forth below, this Note (or $____ principal amount hereof) of COLUMBIA CARE INC. standing in the name(s) of the undersigned in the register maintained by the Issuer with respect to such Note and does hereby irrevocably authorize and direct the Trustee to transfer such Note in such register, with full power of substitution in the premises.

Dated: _____

_____

Address of Transferee: _____

(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: _____

_____

If less than the full principal amount of the within Note is to be transferred, indicate in the space provided the principal amount (which must be $1,000 or an integral multiple of $1,000) to be transferred.

In the case of a Note that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

☐ (A) the transfer is being made to the Issuer;

☐ (B) the transfer is being made outside the United States in compliance with Rule 904 of Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and in compliance with any applicable local securities laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Appendix C to the Indenture, or

☐ (C) the transfer is being made in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Issuer and the Trustee an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Issuer to such effect.

In the case of a Note that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Note is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Issuer and the Trustee an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Issuer to such effect.

1. The signature(s) to this assignment must correspond with the name(s) as written upon the face of the Note in every particular without alteration or any change whatsoever. The signature(s) must be guaranteed by a Canadian chartered bank of trust company or by a member of an acceptable Medallion Guarantee Program. Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

2. The registered holder of this Note is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Note.

Signature of Guarantor

Authorized Officer	Signature of transferring registered holder
Name of Institution	

APPENDIX B

FORM OF GUARANTEE

(see attached)

GUARANTEE

THIS GUARANTEE dated as of May 14, 2020, is executed by each of the Restricted Subsidiaries signatory hereto (together with each Person executing a Guarantee Supplement as an Additional Guarantor in accordance with this Guarantee each, individually, a "**Guarantor**", and, collectively, the "**Guarantors**") in favor of Odyssey Trust Company, as trustee (the "**Trustee**"), as Trustee under the Indenture (as defined below).

RECITALS

WHEREAS, Columbia Care Inc., a corporation incorporated under the *Business Corporations Act* (British Columbia) (the "**Issuer**") is party to that certain Indenture dated as of Ma7 14, 2020, between the Issuer and the Trustee (the "**Indenture**"). Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms under the Indenture;

WHEREAS, the Issuer will issue senior secured notes (the "**Notes**") pursuant to the terms of the Indenture to be held by certain noteholders (each a "**Noteholder**" and, collectively, the "**Noteholders**");

WHEREAS, each Guarantor is a direct or indirect Subsidiary of the Issuer;

WHEREAS, each Guarantor acknowledges that it will derive substantial direct and indirect benefit from the making of loans pursuant to the Indenture and is willing to guarantee the Liabilities (as defined below) as hereinafter set forth; and

WHEREAS, as an inducement to the Trustee and the Holders to enter into the Indenture and make the credit accommodations provided for therein, each Guarantor has agreed to guarantee the obligations of the Issuer under the Indenture and the other Security Documents, all on the terms and conditions set forth in this Guarantee.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Guarantor hereby agrees with the Trustee for the benefit of the Holders as follows:

1. Guarantee. Each Guarantor, jointly and severally, unconditionally and irrevocably, as primary obligor and not merely as surety, guarantees the full and prompt payment when due, whether by acceleration or otherwise, and at all times thereafter, of: (a) all obligations (monetary or otherwise) of the Issuer to each of the Trustee and each of the Noteholders (as defined below) under or in connection with the Indenture, the Notes the Security Documents and any other document or instrument executed in connection therewith and (b) all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and charges) paid or incurred by the Trustee or any Noteholder in enforcing this Guarantee, any Security Document or any other applicable document against such Guarantor (all such obligations being herein collectively called the "**Liabilities**"); provided that the liability of such Guarantor hereunder shall be limited to the maximum amount of the Liabilities that such Guarantor may guarantee without violating any fraudulent conveyance or fraudulent transfer law.

2. Payment.

(a) Each Guarantor agrees that if any Event of Default occurs under Article 9 of the Indenture, at a time when the Liabilities are not otherwise due and payable (whether due to a judicial stay of acceleration or otherwise), then such Guarantor will pay on demand to the Trustee for the account of the Noteholders forthwith the full amount that would be payable hereunder by such Guarantor if all Liabilities were then due and payable, subject to applicable law.

(b) Section 4.12 of the Indenture shall apply to all payments made by each Guarantor under this Guarantee, and all such payments shall be payable in the currency of the underlying Liability (the "**Relevant Currency**"). The obligation of each Guarantor under this Guarantee shall, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the Relevant Currency that Trustee may purchase at the rate of exchange with the sum paid in such other currency (after any premium and costs of exchange) on the Business Day immediately following the day on which Trustee receives such payment. If the amount of the Relevant Currency which may be so purchased is less than the sum originally due to Trustee in the Relevant Currency, each Guarantor agrees, as a separate obligation and notwithstanding any such payment or judgment, to indemnify Trustee against such loss.

(c) Each Guarantor further agrees that if at any time all or any part of any payment theretofore applied by the Trustee or any Noteholder to any of the Liabilities is or must be rescinded or returned by the Trustee or such Noteholder for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Issuer or any Guarantor), such Liabilities shall, for purposes of this Guarantee, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Trustee or such Noteholder, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Liabilities, all as though such application by the Trustee or such Noteholder had not been made, subject to applicable law.

3. Continuing Obligation. This Guarantee shall in all respects be a continuing, irrevocable, absolute and unconditional guarantee of payment and performance and not merely a guarantee of collectability and, without limiting the generality of the foregoing, shall not be released, discharged, limited or otherwise affected by:

(a) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release in respect of any Liabilities, security, person or otherwise, including any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release of any of the Liabilities, covenants or undertakings of the Issuer under any of the Indenture, any Note, any Security Document or any other document or instrument executed in connection therewith or any modification or amendment of or supplement to any of the foregoing;

(b) any loss of or in respect of any security held by or on behalf of the Trustee or any Noteholder, whether occasioned by the fault of the Trustee or any Noteholder or otherwise, including any release, non-perfection, irregularity, defect, unenforceability or invalidity of any such security;

(c) any change in the existence, structure, constitution, name, control or ownership of the Issuer or any other person, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Issuer or any other person or their respective assets;

(d) the existence of any set-off, deduction, abatement, recoupment, appropriation, application, reduction, counterclaim, claim or other right which the Guarantor or the Issuer may have at any time against the Trustee or any other person, whether in connection with any agreement, instrument or other document in connection with the Liabilities or any unrelated transaction;

(e) any release, substitution or addition of any Guarantor or any other guarantor of any of the Liabilities;

(f) any provision of applicable law purporting to prohibit or limit the payment by the Issuer of any Liabilities, and any defense arising by reason of any failure of the Trustee or any of the Noteholders or any other person on their behalf to make any presentment, demand, or protest or to give any other notice, including notice of all of the following: (i) notice of the acceptance of this Guarantee by the Trustee or any Noteholder, (ii) notice of the existence or creation or non-payment of all or any of the Liabilities including any new Liabilities, (iii) presentment, demand, notice of dishonor, protest, and all other notices whatsoever, and (iv) all diligence in collection or protection of or realization upon any Liabilities or any security for or guarantee of any Liabilities;

(g) any defense arising by reason of any failure of the Trustee or any other person on behalf of the Trustee or any of the Noteholders to proceed against the Issuer or any other person, or to obtain, register, perfect, apply or exhaust any security held from the Issuer or any other person for the Liabilities or any other obligations, to proceed against, apply or exhaust any security held from the Guarantor or any other person, or to pursue any other remedy available to the Trustee or any of the Noteholders;

(h) any defense arising by reason of the invalidity, illegality or lack of enforceability of the Liabilities or any part thereof or of any security or guarantee in support thereof, in each case by reason of any incapacity, lack of authority, or similar defense of the Issuer or any other person, or by reason of any limitation, postponement or prohibition on the right of the Trustee to payment from any other cause whatsoever other than irrevocable payment or performance, as applicable, in full of the Liabilities;

(i) any defense arising by reason of the failure of the Trustee, or any other person on behalf of the Trustee, to marshal assets;

(j) to the extent permitted under applicable law, any defense based upon any failure of the Trustee or any other Secured Party or any other person on behalf of the Trustee or any other Secured Party to give to the Issuer or the Guarantor notice of any sale or other disposition of any property securing any or all of the Liabilities or any other guarantee thereof, or any notice that may be given in connection with any sale or other disposition of any such property;

(k) any defense based upon or arising out of any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, composition, winding-up, liquidation or dissolution proceeding commenced by or against the Issuer or any other person, including any discharge or bar against collection of any of the Liabilities; or

(l) any other law, event or circumstance or any other act or failure to act or delay of any kind by the Issuer, or any other person, which might, but for the provisions of this Section, constitute a legal or equitable defense to or discharge, limitation or reduction of the Guarantor's obligations under this Guarantee.

4. Dealing With Issuer and Others. Without limiting any of the foregoing, the Trustee or any Noteholder may, from time to time, at its sole discretion and without notice to any Guarantor, deal in any way with the Issuer or take or fail to take any or all of the following actions without affecting in any way any of the obligations of any Guarantor hereunder, subject, in each case, to applicable law: (a) retain or obtain a security interest in any property to secure any of the Liabilities or any obligation hereunder, (b) retain or obtain the primary or secondary obligation of any obligor or obligors, in addition to each Guarantor, with respect to any of the Liabilities, (c) extend or renew any of the Liabilities for one or more periods (whether or not longer than the original period), alter or exchange any of the Liabilities, or release or compromise any obligation of any of any Guarantor hereunder or any obligation of any nature of any other obligor with respect to any of the Liabilities, (d) release or fail to perfect or preserve any security interest in, or surrender, release or permit any substitution or exchange for, any part of any property securing any of the Liabilities or any obligation hereunder, or extend or renew for one or more periods (whether or not longer than the original period) or release, compromise, alter or exchange any obligations of any nature of any obligor with respect to any such property, and (e) resort to any Guarantor for payment of any of the Liabilities when due, whether or not the Trustee or such Noteholder shall have resorted to any property securing any of the Liabilities or any obligation hereunder or shall have proceeded against any other Guarantor or any other obligor primarily or secondarily obligated with respect to any of the Liabilities.

5. No Subrogation. Notwithstanding any payment made by or for the account of any Guarantor pursuant to this Guarantee, no Guarantor shall be subrogated to any right of the Trustee or any Noteholder until such time as the Trustee and the Noteholders shall have received final payment in cash of the full amount of all Liabilities.

6. Attorney's Fees. Each Guarantor further agrees to pay all expenses (including reasonable attorneys' fees and charges) paid or incurred by the Trustee or any Noteholder in endeavoring to collect the Liabilities from such Guarantor, or any part thereof; and in enforcing this Guarantee against such Guarantor, including all manner of participation in or other involvement with (a) bankruptcy, insolvency, receivership, foreclosure, winding up or liquidation proceedings, (b) judicial or regulatory proceedings and (c) workout, restructuring or other negotiations or proceedings (whether or not the workout, restructuring or transaction contemplated thereby is consummated).

7. Additional Liabilities. The creation or existence from time to time of additional Liabilities to the Trustee or the Noteholders or any of them is hereby authorized, without notice to any Guarantor, and shall in no way affect or impair the rights of the Trustee or the Noteholders or the obligations of any Guarantor under this Guarantee, including any Guarantor's guarantee of such additional Liabilities.

8. Transfer. The Trustee and any Noteholder may from time to time, without notice to any Guarantor, assign or transfer any of the Liabilities or any interest therein; and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, such Liabilities shall be and remain Liabilities for the purposes of this Guarantee, and each and every immediate and successive assignee or transferee of any of the Liabilities or of any interest therein shall, to the extent of the interest of such assignee or transferee in the Liabilities, be entitled to the benefits of this Guarantee to the same extent as if such assignee or transferee were an original Noteholder.

9. No Waiver; Cumulative Remedies. No delay on the part of the Trustee or any Noteholder in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Trustee or any Noteholder of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy; nor shall any modification or waiver of any provision of this Guarantee be binding upon the Trustee or the Noteholder, except as expressly set forth in a writing duly signed and delivered on behalf of the Trustee. No action of the Trustee or any Noteholder permitted hereunder shall in any way affect or impair the rights of the Trustee or any Noteholder or the obligations of any Guarantor under this Guarantee. For purposes of this Guarantee, Liabilities shall include all obligations of the Issuer to the Trustee or any Noteholder arising under or in connection with the Indenture, any Note, any Security Document or any other document or instrument executed in connection therewith, notwithstanding any right or power of the Issuer or anyone else to assert any claim or defense as to the invalidity or unenforceability of any obligation, and no such claim or defense shall affect or impair the obligations of any Guarantor hereunder. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

10. Delivery. Pursuant to the Indenture, (a) this Guarantee has been delivered to the Trustee and (b) the Trustee has been authorized to enforce this Guarantee on behalf of itself and each of the Noteholders. All payments by any Guarantor pursuant to this Guarantee shall be made to the Trustee for the benefit of the Noteholders (and any amount received by the Trustee for the account of a Noteholder shall, subject to the other provisions of this Guarantee, be deemed received by such Noteholder upon receipt by the Trustee).

11. Successors and Assigns. This Guarantee shall be binding upon each Guarantor and the successors and assigns of such Guarantor; and to the extent the Issuer or any Guarantor is a partnership, corporation, limited liability company or other entity, all references herein to the Issuer and any Guarantor, respectively, shall be deemed to include any successor or successors, whether immediate or remote, to such entity. Each Guarantor shall be jointly and severally obligated hereunder and such obligations shall remain in full force and effect until the earlier of (i) the payment in full in cash of all Liabilities, (ii) the termination of all obligations to extend credit under the Indenture and (iii) all other conditions to the release and discharge of the Guarantor specified under the Indenture having been met.

12. Governing Law. **THE VALIDITY, CONSTRUCTION AND ENFORCEABILITY OF THIS GUARANTEE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW), EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE MANDATORILY GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.** Whenever possible, each provision of this Guarantee and any other statement, instrument or transaction contemplated hereby or relating hereto shall be interpreted so as to be effective and valid under such applicable law, but if any provision of this Guarantee or any other statement, instrument or transaction contemplated hereby or relating hereto is held to be prohibited or invalid under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision, the remaining provisions of this Guarantee or any other statement, instrument or transaction contemplated hereby or relating hereto.

13. Severability. If any of the provisions of this Guarantee shall be held invalid or unenforceable, this Guarantee shall be construed as if not containing such provisions, and the rights and obligations of the parties hereto shall be construed and enforced accordingly.

14. Section Headings. The section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

15. Time of the Essence. Time shall be of the essence of every provision of this Guarantee.

16. Inconsistencies. To the extent of any conflict or inconsistency between the provisions of the Indenture and this Guarantee, the Indenture shall prevail.

17. Final Agreement. This Guarantee contains the entire and exclusive agreement of the parties hereto with reference to the matters discussed herein. This Guarantee supersedes all prior drafts and communications with respect thereto.

18. Notices. All notices and communications required or provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail as follows:

(a) if to a Guarantor, at its address set forth on its signature page hereto; and

(b) if to the Trustee, at 323-409 Granville Street, Vancouver, BC V6C 1T2, Attn: Corporate Trust.

19. Counterparts. This Guarantee may be executed in any number of counterparts and by the different parties hereto on separate counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute one and the same Guarantee. Delivery of a counterpart hereof, or a signature page hereto, by facsimile or in a .pdf or similar file shall be effective as delivery of a manually executed original counterpart thereof.

20. Additional Guarantor. At any time after the date of this Guarantee, one or more additional Persons may become parties hereto by executing and delivering to the Trustee a guarantee supplement in substantially the form of Exhibit A hereto (each a "Guarantee Supplement"). Such Person shall be referred to as an "Additional Guarantor" and shall be and become a Guarantor, and each reference in this Guarantee to "Guarantor" shall also mean and refer to such Additional Guarantor.

21. Modifications. Other than automatic modifications related to the addition of a party hereto as described in the preceding paragraph, no amendment, modification or waiver of, or consent with respect to, any provision of this Guarantee shall be effective unless the same shall be in writing and signed and delivered by the Trustee, and then such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

22. Jurisdiction. **EACH GUARANTOR AND THE COLLATERAL TRUSTEE ON BEHALF OF ITSELF AND EACH HOLDER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR STATE COURT SITTING IN NEW YORK, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTEE, IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE COLLATERAL TRUSTEE TO BRING PROCEEDINGS AGAINST ANY GUARANTOR IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY ANY GUARANTOR AGAINST THE COLLATERAL TRUSTEE OR ANY AFFILIATE OF THE COLLATERAL TRUSTEE INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO OR CONNECTED WITH THIS GUARANTEE SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK, NEW YORK. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH GUARANTOR HEREBY WAIVES ALL RIGHTS TO A JUDICIAL HEARING OF ANY KIND PRIOR TO THE COLLATERAL TRUSTEE'S EXERCISE OF ITS RIGHTS TO POSSESSION OF THE COLLATERAL FOLLOWING THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT WITHOUT JUDICIAL PROCESS OR OF ITS RIGHTS TO REPLEVY, ATTACH OR LEVY UPON THE COLLATERAL WITHOUT PRIOR NOTICE OR HEARING. EACH GUARANTOR ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY COUNSEL OF ITS CHOICE WITH RESPECT TO THIS PROVISION AND THIS GUARANTEE. EACH GUARANTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, TO THE ADDRESS SET FORTH BENEATH ITS NAME ON SCHEDULE "I" (OR SUCH OTHER ADDRESS AS IT SHALL HAVE SPECIFIED IN WRITING TO THE TRUSTEE AS ITS ADDRESS FOR NOTICES HEREUNDER) OR BY PERSONAL SERVICE AT SUCH ADDRESS OR ELSEWHERE.**

23. Waiver of Jury Trial. **EACH GUARANTOR AND THE TRUSTEE AND EACH NOTEHOLDER, BY THEIR ACCEPTANCE OF THIS GUARANTEE, IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTEE, ANY OTHER DOCUMENT ASSOCIATED HEREWITH AND ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

[Signature pages follow.]

IN WITNESS WHEREOF, this Guarantee has been duly executed and delivered as of the date first above written.

Address for Guarantors:

c/o Columbia Care Inc.
321 Billerica Road
Suite 204
Chelmsford, MA 01824
Attn: Nicholas Vita, Chief Executive Officer
Email: nkv@col-care.com

GUARANTORS:

PATRIOT CARE CORP.,
a Massachusetts corporation

By: _____
Name:
Title:

CURATIVE HEALTH LLC
an Illinois limited liability company

By: _____
Name:
Title:

COLUMBIA CARE DC LLC
a Delaware limited liability company

By: _____
Name:
Title:

MISSION BAY, LLC
a California limited liability company

By: _____
Name:
Title:

CCUT PHARMACY LLC
a Utah limited liability company

By: _____
Name:
Title:

COLUMBIA CARE PENNSYLVANIA LLC
a Pennsylvania limited liability company

By: _____
Name:
Title:

COLUMBIA CARE INDUSTRIAL HEMP LLC
a New York limited liability company

By: _____
Name:
Title:

CURATIVE HEALTH CULTIVATION LLC
an Illinois limited liability company

By: _____
Name:
Title:

COLUMBIA CARE NY LLC
a New York limited liability company

By: _____
Name:
Title:

FOCUSED HEALTH LLC
a California limited liability company

By: _____
Name:
Title:

COLUMBIA CARE NEW JERSEY LLC
a New Jersey limited liability company

By: _____
Name:
Title:

COLUMBIA CARE WV INDUSTRIAL HEMP LLC
a West Virginia limited liability company

By: _____
Name:
Title:

CCPA INDUSTRIAL HEMP LLC
a Pennsylvania limited liability company

By: _____
Name:
Title:

CC OH REALTY LLC
an Ohio limited liability company

By: _____
Name:
Title:

CCF HOLDCO LLC
a Florida limited liability company

By: _____
Name:
Title:

CC CALIFORNIA LLC
a California limited liability company

By: _____
Name:
Title:

COLUMBIA CARE – ARIZONA, PRESCOTT, LLC
an Arizona limited liability company

By: _____
Name:
Title:

203 ORGANIX, LLC
an Arizona limited liability company

By: _____
Name:
Title:

Guarantee

COLUMBIA CARE MD LLC
A Maryland limited liability company
By: _____
Name:
Title:

COLUMBIA CARE EASTERN VIRGINIA LLC
a Virginia limited liability company

By: _____
Name:
Title:

COLUMBIA CARE DE MANAGEMENT LLC
a Delaware limited liability company

By: _____
Name:
Title:

COLUMBIA CARE DELAWARE, LLC
a Delaware limited liability company

By: _____
Name:
Title:

COLUMBIA CARE – ARIZONA, TEMPE, LLC
an Arizona limited liability company

By: _____
Name:
Title:

SALUBRIOUS WELLNESS CLINIC, INC.
an Arizona limited liability company

By: _____
Name:
Title:

COLUMBIA CARE LLC
a Delaware limited liability company

By: _____
Name:
Title:

Guarantee

EXHIBIT A

SUPPLEMENT TO GUARANTEE

Reference is hereby made to the Guarantee (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Guarantee**"), dated as of May 14, 2020, made by each of the Restricted Subsidiaries of Columbia Care Inc., a corporation incorporated under the *Business Corporations Act* (British Columbia) (the "**Issuer**") listed on the signature pages thereto (each an "**Initial Guarantor**", and together with any additional Persons which become parties to the Guarantee by executing Guarantee Supplements thereto substantially similar in form and substance hereto, the "**Guarantors**"), in favor of Odyssey Trust Company, as trustee (the "**Trustee**"), as Trustee under that certain Indenture dated as of May 14, 2020, between the Issuer and the Trustee (the "**Indenture**"), for the ratable benefit of certain noteholders (each a "**Noteholder**" and, collectively, the "**Noteholders**") pursuant to the terms of the Indenture. Each capitalized term used herein and not defined herein shall have the meaning given to it in the Guarantee.

The undersigned, [NAME OF NEW GUARANTOR], a [_____] [corporation/[partnership/limited liability company] (the "**New Guarantor**"), hereby agrees, as of the date first above written, to become, and does hereby become, a Guarantor under the Guarantee as if it were an original party thereto and agrees that each reference in the Guarantee to a Guarantor shall also mean and refer to the New Guarantor.

The New Guarantor hereby jointly and severally (together with each other Guarantor) unconditionally and irrevocably guarantees the full and prompt payment when due, whether at stated maturity, by acceleration or otherwise, all the Liabilities, subject to all the terms of the Guarantee.

In accordance with Section 7.18 of the Indenture and the terms of the Guarantee, the New Guarantor hereby agrees that, from and after the date hereof, it shall be a "Guarantor" for all purposes of the Indenture and the Guarantee, with all the rights and obligations of a Guarantor under the Guarantee.

By its execution below, the New Guarantor represents and warrants as to itself that all of the representations and warranties contained in the Guarantee are true and correct in all respects as of the date hereof.

This Supplement to Guarantee shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the New Guarantor has executed and delivered this Supplement to Guarantee as of this __ day of ____, 20__.

[NAME OF NEW GUARANTOR]

By: _____
Name:
Title:

APPENDIX C

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: ODYSSEY TRUST COMPANY as Trustee for the Notes of Columbia Care Inc. (the "**Issuer**")

AND TO: THE ISSUER

The undersigned (A) acknowledges that the sale of _____ (the "**Securities**") of the Issuer, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not (a) an "affiliate" (as that term is defined in Rule 405 under the U.S. Securities Act) of the Issuer, except solely by virtue of being an officer or director of the Issuer, (b) a "distributor" or (c) an affiliate of a distributor; (2) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) none of the seller, any affiliate of the seller or any person acting on their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such Securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this __ day of ____, 20 __.

X _____

Signature of individual (if Seller **is** an individual)

X _____

Authorized signatory (if Seller is **not** an individual)

_____

Name of Seller (**please print**)

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

APPENDIX D

PART I – INITIAL GUARANTORS

Columbia Care LLC
Patriot Care Corp
Curative Health LLC
Columbia Care DC LLC
Mission Bay, LLC
CCUT Pharmacy LLC
Columbia Care Pennsylvania LLC
Columbia Care Industrial Hemp LLC
Curative Health Cultivation LLC
Columbia Care NY LLC
Focused Health LLC
Columbia Care New Jersey LLC
Columbia Care WV Industrial Hemp LLC
CCPA Industrial Hemp LLC
CC OH Realty LLC
CCF Holdco LLC
CC California LLC
Columbia Care – Arizona, Prescott, LLC
203 Organix, LLC (non-profit)
Columbia Care MD LLC
Columbia Care Eastern Virginia LLC
Columbia Care DE Management LLC
Columbia Care Delaware, LLC (non-profit)
Columbia Care – Arizona, Tempe, LLC
Salubrious Wellness Clinic, Inc. (non-profit)

PART II – ADDITIONAL GUARANTORS

Columbia Care Illinois LLC
Columbia Care Maryland LLC
Columbia Care DE Management LLC
CC VA Holdco LLC
Columbia Care – Arizona, Tempe DE, L.L.C.
Columbia Care – Arizona, Prescott DE, L.L.C.
CA Care LLC
Columbia Care Arizona LLC
Columbia Care PR LLC

PART III – UNRESTRICTED SUBSIDIARIES

Tetra Holdings LLC
Tetra Finco LLC
Tetra Opco LLC
CC Logistics Services LLC
Oveom LLC
Columbia Care International Holdco LLC
Columbia Care UK LTD
Columbia Care Deutschland GmbH

Exhibit 4.6

COLUMBIA CARE INC.

as the Corporation

and

ODYSSEY TRUST COMPANY

as the Warrant Agent

WARRANT INDENTURE
Providing for the Issue of Warrants

Dated as of May 14, 2020

TABLE OF CONTENTS

WARRANT INDENTURE

THIS WARRANT INDENTURE is dated as of May 14, 2020.

BETWEEN:

COLUMBIA CARE INC., a corporation existing under the laws of the Province of British Columbia (the "**Corporation**"),

- and -

ODYSSEY TRUST COMPANY, a trust company incorporated under the laws of Alberta and registered to carry on business in the Provinces of British Columbia and Alberta (the "**Warrant Agent**")

WHEREAS, the Corporation intends to issue, by way of private placement in one or more tranches, units ("**Units**") of the Corporation, with each Unit being comprised of (i) US$1,000 principal amount of 13.00% notes of the Corporation and (ii) 120 common share purchase warrants (the "**Warrants**");

AND WHEREAS, pursuant to this Indenture, each Warrant shall, subject to adjustment as described herein, entitle the holder thereof to acquire one (1) common share (the "**Common Shares**") of the Corporation upon payment of the Exercise Price (as defined herein) prior to the Expiry Time, upon the terms and conditions herein set forth;

AND WHEREAS, all acts and deeds necessary have been done and performed to make the Warrants, when created and issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture;

AND WHEREAS, the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Warrant Agent.

NOW THEREFORE, in consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby appoints the Warrant Agent as warrant agent to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become the holders of Warrants issued pursuant to this Indenture and the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions.

In this Indenture, including the recitals and schedules hereto, and in all indentures supplemental hereto:

"**Adjustment Period**" means the period from the Effective Date up to and including the Expiry Time;

"**Applicable Legislation**" means any statute of Canada or a province thereof, and the regulations under any such named or other statute, relating to warrant indentures or to the rights, duties and obligations of warrant agents under warrant indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

"**Applicable Securities Legislation**" means applicable securities laws (including rules, regulations, policies and instruments) in each of the applicable provinces and territories of Canada;

"**Auditors**" means Davidson & Company LLP or such other firm of chartered professional accountants duly appointed as auditors of the Corporation, from time to time;

"**Authenticated**" means (a) with respect to the issuance of a Warrant Certificate, one which has been duly signed by the Corporation and authenticated by manual signature of an authorized signatory of the Warrant Agent, and (b) with respect to the issuance of an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant as required by Section 2.7 are entered in the register of holders of Warrants, "**Authenticate**", "**Authenticating**" and "**Authentication**" have the appropriate correlative meanings;

"**beneficial owner**" means a person that has a beneficial interest in a Warrant;

"**Book Entry Only Participants**" or "**Participants**" means institutions that participate directly or indirectly in the Depository's book entry registration system for the Warrants;

"**Book Entry Only Warrants**" means Warrants that are to be held only by or on behalf of the Depository;

"**Business Day**" means any day other than Saturday, Sunday or a statutory or civic holiday, or any other day on which banks are not open for business in the City of Vancouver, Province of British Columbia, and shall be a day on which the NEO or CSE is open for trading;

"**CDS Global Warrants**" means Warrants representing all or a portion of the aggregate number of Warrants issued in the name of the Depository represented by an Uncertificated Warrant, or if requested by the Depository or the Corporation, by a Warrant Certificate;

"**Certificated Warrant**" means a Warrant evidenced by a writing or writings substantially in the form of Schedule "A", attached hereto;

"**Common Shares**" means, subject to Article 4, fully paid and non-assessable common shares in the capital of the Corporation as presently constituted;

"**Confirmation**" has the meaning ascribed thereto in Section 3.2(d) of this Indenture;

"**Corporation**" means Columbia Care Inc. or any successor entity thereto;

"**Counsel**" means a barrister and/or solicitor or a firm of barristers and/or solicitors retained by the Warrant Agent or retained by the Corporation and acceptable to the Warrant Agent, which may or may not be counsel for the Corporation;

"**CSE**" means the Canadian Securities Exchange;

"**Current Market Price**" of the Common Shares at any date means the volume weighted average of the trading price per Common Share for such Common Shares for each day there was a closing price for the twenty (20) consecutive Trading Days ending five (5) days prior to such date on the NEO or CSE or if on such date the Common Shares are not listed on the NEO or CSE, on such stock exchange upon which such Common Shares are listed and as selected by the directors of the Corporation, or, if such Common Shares are not listed on any stock exchange then on such over-the-counter market as may be selected for such purpose by the directors of the Corporation;

"**Depository**" means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Corporation to act as depository in respect of the Warrants;

"**Dividends**" means any dividends paid by the Corporation on its Common Shares;

"**DRS**" means the Direct Registration System maintained by the Warrant Agent, in the case of the Warrants, or the Corporation's transfer agent, in the case the of the Common Shares;

"**DRS Advice**" means the notification produced by the DRS system evidencing ownership of the Warrants or Common Shares, as the case may be;

"**Effective Date**" means the date of this Indenture;

"**Exchange Rate**" means the number of Common Shares subject to the right of purchase under each Warrant which as of the date hereof is one;

"**Exercise Date**" means, in relation to a Warrant, the Business Day on which such Warrant is validly exercised or deemed to be validly exercised in accordance with Article 3 hereof;

"**Exercise Notice**" has the meaning set forth in Section 3.2(a);

"**Exercise Price**" at any time means the price at which a whole Common Share may be purchased by the exercise of a whole Warrant, which is initially CDN$2.95 per Common Share, payable in immediately available funds, subject to adjustment in accordance with the provisions of Section 4.1;

"**Expiry Date**" means the date that is three (3) years after the Issue Date;

"**Expiry Time**" means 5:00 p.m. (Vancouver Time) on the Expiry Date;

"**Extraordinary Resolution**" has the meaning set forth in Section 7.11(a) of this Indenture;

"**Indemnified Parties**" has the meaning ascribed thereto in Section 9.7(e) of this Indenture;

"**Internal Procedures**" means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership), the minimum number of the Warrant Agent's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Warrant Agent, it being understood that neither preparation nor issuance shall constitute part of such procedures for any purpose of this definition;

"**Issue Date**" means the closing date of the applicable tranche of the Offering;

"**NEO**" means the Neo Exchange Inc., or such other Canadian stock exchange on which the Common Shares are listed for trading from time to time;

"**Offering**" has the meaning ascribed thereto in the recitals to this Indenture;

"**Original U.S. Warrantholder**" means a U.S. Warrantholder that is (i) a Qualified Institutional Buyer and the original purchaser of the Warrants and who delivered a properly executed Qualified Institutional Buyer Certificate attached as Annex 2 to Schedule E to the U.S. subscription agreement between each Qualified Institutional Buyer and the Corporation in connection with its purchase of Units pursuant to the Offering, or (ii) a U.S. Accredited Investor and the original purchaser of the Warrants and who delivered a properly executed U.S. Accredited Investor Agreement attached as Exhibit Annex 1 to Schedule E to the U.S. subscription agreement between each U.S. Accredited Investor and the Corporation in connection with its purchase of Units pursuant to the Offering;

"**person**" means an individual, body corporate, partnership, limited liability company, trust, warrant agent, executor, administrator, legal representative or any unincorporated organization;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as such term is defined in Rule 144A under the U.S. Securities Act, that is also a U.S. Accredited Investor;

"**register**" means the one set of records and accounts maintained by the Warrant Agent pursuant to Section 2.9 of this Indenture;

"**Regulation D**" means Regulation D under the U.S. Securities Act;

"**Regulation S**" means Regulation S under the U.S. Securities Act;

"**SEC**" means the U.S. Securities and Exchange Commission;

"**Shareholders**" means holders of Common Shares;

"**successor entity**" has the meaning ascribed thereto in Section 8.2 of this Indenture;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder;

"**this Warrant Indenture**", "**this Indenture**", "**this Agreement**", "**hereto**" "**herein**", "**hereby**", "**hereof**" and similar expressions mean and refer to this Indenture and any indenture, deed or instrument supplemental hereto; and the expressions "**Article**", "**Section**", "**subsection**" and "**paragraph**" followed by a number, letter or both mean and refer to the specified article, section, subsection or paragraph of this Indenture;

"**Trading Day**" means, with respect to the NEO or the CSE, a day on which such exchange is open for the transaction of business or, with respect to another exchange or an over-the-counter market, a day on which such exchange or market is open for the transaction of business;

"**U.S. Accredited Investor**" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Legend**" has the meaning set forth in Section 2.8(a);

"**U.S. Person**" has the meaning set forth in Rule 902(k) of Regulation S;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Warrantholder**" means any (a) Warrantholder that (i) is a U.S. Person, (ii) is in the United States, (iii) received an offer to acquire Warrants while in the United States, or (iv) was in the United States at the time such Warrantholder's buy order was made or such Warrantholder executed or delivered its purchase order for the Warrants or (b) person who acquired Warrants on behalf of, or for the account or benefit of, any U.S. Person or any person in the United States;

"**Uncertificated Warrant**" means any Warrant that is not a Certificated Warrant, including DRS Advices;

"**Units**" has the meaning set forth in the recitals;

"**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

"**Warrant Agency**" means the principal office of the Warrant Agent in the City of Vancouver, British Columbia or such other place as may be designated in accordance with Section 3.5;

"**Warrant Agent**" means Odyssey Trust Company, in its capacity as warrant agent of the Warrants, or its successors from time to time;

"**Warrant Certificate**" means a certificate, substantially in the form set forth in Schedule "A" hereto, to evidence those Warrants that will be evidenced by a certificate;

"**Warrant Shares**" means Common Shares issuable upon exercise of the Warrants;

"**Warrantholders**", or "**holders**" without reference to Warrants means the persons entered in the register hereinafter mentioned as holders of Warrants outstanding at such time;

"**Warrantholders' Request**" means an instrument signed in one or more counterparts by Warrantholders holding in the aggregate not less than 50% of the aggregate number of all Warrants then-unexercised and then-outstanding, requesting the Warrant Agent to take some action or proceeding specified therein;

"**Warrants**" means the Common Share purchase warrants created by and authorized by and issuable under this Indenture, to be issued and countersigned hereunder as a Certificated Warrant and/or Uncertificated Warrant evidenced by a DRS Advice or held through the book entry registration system on a no certificate issued basis, entitling the holder or holders thereof to purchase one (1) Common Share (subject to adjustment as herein provided) per Warrant at the Exercise Price prior to the Expiry Time and, where the context so requires, also means the Warrants issued and Authenticated hereunder, whether by way of Warrant Certificate or Uncertificated Warrant; and

"**written order of the Corporation**", "**written request of the Corporation**", "**written consent of the Corporation**" and "**certificate of the Corporation**" mean, respectively, a written order, request, consent and certificate signed in the name of the Corporation by any two duly authorized signatories of the Corporation and may consist of one or more instruments so executed.

1.2 Gender and Number.

Words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa.

1.3 Headings, Etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Warrants.

1.4 Day not a Business Day.

If any day on or before which any action or notice is required to be taken or given hereunder is not a Business Day, then such action or notice shall be required to be taken or given on or before the requisite time on the next succeeding day that is a Business Day.

1.5 Time of the Essence.

Time shall be of the essence of this Indenture.

1.6 Monetary References.

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed.

1.7 Applicable Law.

This Indenture, the Warrants, the Warrant Certificates (including all documents relating thereto, which by common accord have been and will be drafted in English) shall be construed in accordance with the laws of the Province of British Columbia and the federal laws applicable therein and shall be treated in all respects as British Columbia contracts. Each of the parties hereto, which shall include the Warrantholders, irrevocably attorns to the exclusive jurisdiction of the courts of the Province of British Columbia with respect to all matters arising out of this Indenture and the transactions contemplated herein.

ARTICLE 2
ISSUE OF WARRANTS

2.1 Creation and Issue of Warrants.

An unlimited number of Warrants (subject to adjustment as herein provided) are hereby created and authorized to be issued in accordance with the terms and conditions hereof. By written order

of the Corporation, the Warrant Agent shall issue and deliver Warrant Certificates to Warrantholders, or no certificate for Uncertificated Warrants, and record the name of the Warrantholders on the Warrant register. Registration of interests in Warrants held by the Depository may be evidenced by a position appearing on the register for Warrants of the Warrant Agent for an amount representing the aggregate number of such Warrants outstanding from time to time.

2.2 Terms of Warrants.

(a) Subject to the applicable conditions for exercise set out in Article 3 having been satisfied and subject to adjustment in accordance with Section 4.1, each Warrant shall entitle each holder thereof, upon the exercise thereof at any time after the Issue Date and prior to the Expiry Time, to acquire one (1) Common Share upon payment to the Corporation of the Exercise Price.

(b) No fractional Warrants shall be issued or otherwise provided for hereunder and Warrants may only be exercised in a sufficient number to acquire whole numbers of Common Shares. Any fractional Warrants shall be rounded down to the nearest whole number.

(c) Each Warrant shall entitle the holder thereof to only such other rights and privileges as are set forth in this Indenture.

(d) The number of Common Shares that may be purchased pursuant to the Warrants, and the Exercise Price therefor, shall be adjusted upon the events and in the manner specified in Section 4.1.

2.3 Warrantholder not a Shareholder.

Except as may be specifically provided herein, nothing in this Indenture or in the holding of a Warrant Certificate, entitlement to a Warrant or otherwise, shall, in itself, confer or be construed as conferring upon a Warrantholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Corporation, or the right to Dividends and other allocations.

2.4 Warrants to Rank Pari Passu.

All Warrants shall rank equally and without preference over each other, whatever may be the actual date of issue thereof.

2.5 Form of Warrants, Certificated Warrants.

(a) The Warrants may be issued in both certificated and uncertificated form. Each Warrant issued to, or for the account for benefit of, a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), and each Warrant in exchange or substitution therefor, will be evidenced by a Warrant Certificate that bears the U.S. Legend. All Warrants issued in certificated form shall be evidenced by a Warrant Certificate (including all replacements issued in accordance with this Indenture), substantially in the form set out in Schedule “A” hereto, which shall be dated as of the Issue Date, shall bear such distinguishing

letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions; provided that any Warrant issued to an Original U.S. Warrantholder that is a Qualified Institutional Buyer may be issued in certificated form or uncertificated form, in each case as part of the Warrants issued in the name of the Depository. All Warrants issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Warrantholders to be maintained by the Warrant Agent in accordance with Section 2.9.

(b) Each Warrantholder by purchasing such Warrant acknowledges and agrees that the terms and conditions set forth in the form of the Warrant Certificate set out in Schedule "A" hereto shall apply to all Warrants and Warrantholders regardless of whether such Warrants are issued in certificated or uncertificated form.

2.6 Book Entry Only Warrants.

(a) Registration of beneficial interests in and transfers of Warrants held by the Depository shall be made only through the book entry registration system and no Warrant Certificates shall be issued in respect of such Warrants except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by the Depository, as determined by the Corporation, from time to time. Except as provided in this Section 2.6, owners of beneficial interests in any CDS Global Warrants shall not be entitled to have Warrants registered in their names and shall not receive or be entitled to receive Warrants in definitive form or to have their names appear in the register referred to in Section 2.9 herein.

(b) Notwithstanding any other provision in this Indenture, no CDS Global Warrants may be exchanged in whole or in part for Warrants registered, and no transfer of any CDS Global Warrants in whole or in part may be registered, in the name of any person other than the Depository for such CDS Global Warrants or a nominee thereof unless:

(i) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in connection with the Book Entry Only Warrants and the Corporation is unable to locate a qualified successor;

(ii) the Corporation determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Global Warrants and the Corporation is unable to locate a qualified successor;

(iii) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor;

(iv) the Corporation determines that the Warrants shall no longer be held as Book Entry Only Warrants through the Depository;

(v) such right is required by applicable law, as determined by the Corporation and the Corporation's Counsel;

(vi) the Warrant is to be Authenticated to or for the account or benefit of a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), in which case, the Warrant Certificate shall contain the U.S. Legend set forth in Section 2.8(a), if applicable; or

(vii) such registration is effected in accordance with the internal procedures of the Depository and the Warrant Agent,

following which, Warrants for those holders requesting the same shall be registered and issued to the beneficial owners of such Warrants or their nominees as directed by the Depository. The Corporation shall provide a certificate of the Corporation giving notice to the Warrant Agent of the occurrence of any event outlined in this Section 2.6(b)(i) – (vi).

(c) Subject to the provisions of this Section 2.6, any exchange of CDS Global Warrants for Warrants that are not CDS Global Warrants may be made in whole or in part in accordance with the provisions of Section 2.11, mutatis mutandis. All such Warrants issued in exchange for a CDS Global Warrant or any portion thereof shall be registered in such names as the Depository for such CDS Global Warrants shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Global Warrants) as the CDS Global Warrants or portion thereof surrendered upon such exchange.

(d) Every Warrant that is Authenticated upon registration or transfer of a CDS Global Warrant, or in exchange for or in lieu of a CDS Global Warrant or any portion thereof, whether pursuant to this Section 2.6, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Global Warrant, unless such Warrant is registered in the name of a person other than the Depository for such CDS Global Warrant or a nominee thereof.

(e) Notwithstanding anything to the contrary in this Indenture, subject to applicable law, the CDS Global Warrant will be issued as an Uncertificated Warrant, unless otherwise requested in writing by the Depository or the Corporation.

(f) The rights of beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system shall be limited to those established by applicable law and agreements between the Depository and the Book Entry Only Participants and between such Book Entry Only Participants and the beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system, and such rights must be exercised through a Book Entry Only Participant in accordance with the rules and procedures of the Depository.

(g) Notwithstanding anything herein to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for:

(i) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Warrants or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Warrant represented by an electronic position in the book entry registration system (other than the Depository or its nominee);

(ii) maintaining, supervising or reviewing any records of the Depository or any Book Entry Only Participant relating to any such interest; or

(iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Only Participant.

(h) The Corporation may terminate the application of this Section 2.6 in its sole discretion, in which case all Warrants shall be evidenced by Warrant Certificates registered in the name of a person other than the Depository.

2.7 Warrant Certificate.

(a) For Warrants issued in certificated form, the form of certificate representing Warrants shall be substantially as set out in Schedule "A" hereto or such other form as is authorized from time to time by the Corporation and the Warrant Agent. Each Warrant Certificate shall be Authenticated manually on behalf of the Warrant Agent. Each Warrant Certificate shall be signed by any duly authorized signatory of the Corporation whose signature shall appear on the Warrant Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Corporation as if it had been signed manually. Any Warrant Certificate which has a signature as hereinbefore provided shall be valid notwithstanding that the person whose signature is printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such certificate. The Warrant Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Warrant Agent may determine.

(b) The Warrant Agent shall Authenticate Uncertificated Warrants (whether upon original issuance, exchange, registration of transfer, partial payment, or otherwise) by completing its Internal Procedures, and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Warrants under this Indenture. Such Authentication shall be conclusive evidence that each such Uncertificated Warrant has been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Warrants with respect to which this Indenture requires the Warrant Agent to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Warrants are binding on the Corporation.

(c) Any Warrant Certificate validly issued in accordance with the terms of this Indenture in effect at the time of issue of such Warrant Certificate shall, subject to the terms of this Indenture and applicable law, validly entitle the holder to acquire Common Shares, notwithstanding that the form of such Warrant Certificate may not be in the form currently required by this Indenture.

(d) No Warrant shall be considered issued, valid or obligatory nor shall the holder thereof be entitled to the benefits of this Indenture until the Warrant has been Authenticated by the Warrant Agent. Authentication by the Warrant Agent, including by way of entry on the register, shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or of such Warrant Certificates or Uncertificated Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture, and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or of the consideration thereof. Authentication by the Warrant Agent shall be conclusive evidence as against the Corporation that the Warrants so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.

(e) No Certificated Warrant shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by manual signature by or on behalf of the Warrant Agent substantially in the form of the Warrant Certificate set out in Schedule "A" hereto. Such Authentication on any such Certificated Warrant shall be conclusive evidence that such Certificated Warrant is duly Authenticated and is valid and a binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

(f) No Uncertificated Warrant shall be considered issued and shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Warrant. Such entry on the register of the particulars of an Uncertificated Warrant shall be conclusive evidence that such Uncertificated Warrant is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

(g) The Authentication by the Warrant Agent of any Warrants whether by way of entry on the register or otherwise shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or such Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or the proceeds thereof.

2.8 Legends.

(a) Neither the Warrants nor the Warrant Shares have been, nor will they be, registered under the U.S. Securities Act or under the securities laws of any state of the United States, and may not be offered, sold or otherwise disposed of by a U.S.

Warrantholder unless an exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable state securities laws is available or the Warrants and Warrant Shares, as applicable, are the subject of an effective registration statement under the U.S. Securities Act. Each Warrant Certificate issued to, or for the benefit or account of, a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), and each Warrant Certificate issued in exchange therefor or in substitution thereof shall bear the following legend or such variations thereof as the Corporation may prescribe from time to time (the "**U.S. Legend**"):

"THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "**CORPORATION**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided that, if the Warrants are being sold outside the United States in compliance with Rule 904 of Regulation S and in compliance with applicable local securities laws and regulations, and the Corporation is a "foreign private issuer" (as such term is defined in Regulation S) at the time the Warrants are originally issued, this U.S. Legend may be removed by the transferor providing a declaration to the Warrant Agent and to the Corporation in the form set forth in Schedule "C" or as the Corporation may prescribe from time to time, or such other evidence which may include an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation; provided further, that, if any such

Warrants are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or in another transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the U.S. Legend may be removed by delivery to the Warrant Agent and the Corporation of an opinion of counsel, of recognized standing, reasonably satisfactory to the Corporation, to the effect that such U.S. Legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws.

The Warrant Agent shall be entitled to request any other documents that it may reasonably require in accordance with its internal policies for the removal of the U.S. Legend set forth above.

(b) Each CDS Global Warrant originally issued in Canada and held by the Depository, and each CDS Global Warrant issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Corporation may prescribe from time to time:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO COLUMBIA CARE INC. (THE "**ISSUER**") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN, AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

(c) Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Warrants, no duty or responsibility whatsoever shall rest upon the Warrant Agent to determine the compliance by any transferor or transferee with the terms of the legend contained in subsections 2.8(a) or 2.8(b), or with the relevant securities laws or regulations, including, without limitation, Regulation S, and the Warrant Agent shall be entitled to assume that all transfers that are processed in accordance with this Indenture are legal and proper.

2.9 Register of Warrants.

(a) The Warrant Agent shall maintain records and accounts concerning the Warrants, whether certificated or uncertificated, which shall contain the information called for below with respect to each Warrant, together with such other information as may be required by law or as the Warrant Agent may elect to record. All such

information shall be kept in one set of accounts and records which the Warrant Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Warrants. The information to be entered for each account in the register of Warrants at any time shall include (without limitation):

(i) the name and address of the holder of the Warrants, the date of Authentication thereof and the number of Warrants;

(ii) whether such Warrant is a Certificated Warrant or an Uncertificated Warrant and, if a Warrant Certificate, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Warrant, the unique number or code assigned thereto if any;

(iii) if any portion thereof has been exercised, the date and price of such exercise, and the remaining balance of such Warrants;

(iv) whether such Warrant has been cancelled; and

(v) a register of transfers in which all transfers of Warrants and the date and other particulars of each transfer shall be entered.

The register shall be available for inspection by the Corporation or any Warrantholder during the Warrant Agent's regular business hours on a Business Day and upon payment to the Warrant Agent of its reasonable fees. Any Warrantholder exercising such right of inspection shall first provide an affidavit, in form satisfactory to the Corporation and the Warrant Agent, stating the name and address of the Warrantholder and agreeing not to use the information therein except in connection with an effort to call a meeting of Warrantholders or to influence the voting of Warrantholders at any meeting of Warrantholders.

(b) Once an Uncertificated Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Warrant Agent from the holder as provided herein, except that the Warrant Agent may act unilaterally to make purely administrative changes internal to the Warrant Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably: (i) consented to the foregoing authority of the Warrant Agent to make such minor error corrections; and (ii) agreed to pay to the Warrant Agent, promptly upon written demand, the full amount of all loss and expense (including without limitation reasonable legal fees of the Corporation and the Warrant Agent plus interest, at an appropriate then prevailing rate of interest to the Warrant Agent) sustained by the Corporation or the Warrant Agent as a proximate result of such error if, but only if, and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Warrant Agent; provided, that no person who is a bona fide purchaser shall have any such obligation to the Corporation or to the Warrant Agent.

2.10 Issue in Substitution for Warrant Certificates Lost, etc.

(a) If any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to applicable law, shall issue, and thereupon the Warrant Agent shall certify and deliver, a new Warrant Certificate of like tenor and bearing the same legend, if applicable, as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substituted Warrant Certificate shall be in a form approved by the Warrant Agent, and the Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Warrants issued or to be issued hereunder.

(b) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.10 shall bear the cost of the issue thereof and, in case of loss, destruction or theft, shall, as a condition precedent to the issuance thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Warrant Agent, in their sole discretion, and such applicant shall also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Warrant Agent, in their sole discretion, and shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

2.11 Exchange of Warrant Certificates.

(a) Any one or more Warrant Certificates representing any number of Warrants may, upon compliance with the reasonable requirements of the Warrant Agent (including compliance with applicable securities legislation), be exchanged for one or more other Warrant Certificates representing the same aggregate number of Warrants, and bearing the same legend, if applicable, as represented by the Warrant Certificate or Warrant Certificates so exchanged.

(b) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificate from the holder (or such other instructions, in form satisfactory to the Warrant Agent), tendered for exchange shall be surrendered to the Warrant Agency and cancelled by the Warrant Agent.

(c) Warrant Certificates exchanged for Warrant Certificates that bear the U.S. Legend set forth in Section 2.8(a) shall bear the same U.S. Legend.

2.12 Transfer and Ownership of Warrants.

(a) The Warrants may only be transferred on the register kept by the Warrant Agent at the Warrant Agency by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the

Warrant Agent only upon: (a) in the case of a Warrant Certificate, surrendering to the Warrant Agent at the Warrant Agency the Warrant Certificate representing the Warrants to be transferred together with a duly executed transfer form as set forth in Schedule "A" (together with a declaration for removal of U.S. Legend or opinion of counsel, if required by Section 2.8(a)); (b) in the case of Book Entry Only Warrants, in accordance with procedures prescribed by the Depository under the book entry registration system; (c) in the case of DRS Advices, in accordance with the procedures prescribed by the Warrant Agent; and (d) upon compliance with:

(i) the conditions herein;

(ii) such reasonable requirements as the Warrant Agent may prescribe; and

(iii) all applicable securities legislation and requirements of regulatory authorities;

and, in the case of (a) or (c) above, such transfer shall be duly noted in such register by the Warrant Agent. Upon compliance with such requirements, the Warrant Agent shall issue to the transferee a Warrant Certificate or DRS Advice, as applicable. Transfers within the systems of the Depository are not the responsibility of the Warrant Agent and will not be noted on the register maintained by the Warrant Agent.

(b) If a Warrant Certificate tendered for transfer bears the U.S. Legend set forth in Section 2.8(a), the Warrant Agent shall not register such transfer unless the transferor has provided the Warrant Agent with the Warrant Certificate and: (A) the transfer is made to the Corporation; (B) the transfer is made outside of the United States in a transaction meeting the requirements of Rule 904 of Regulation S, and is in compliance with applicable local laws and regulations, and the transferor delivers to the Warrant Agent and the Corporation a declaration substantially in the form set forth in Schedule "C" to this Warrant Indenture, or in such other form as the Corporation may from time to time prescribe, together with such other evidence of the availability of an exemption or exclusion from registration under the U.S. Securities Act (which may, without limitation, include an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation) as the Corporation may reasonably require; (C) the transfer is made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by (i) Rule 144A thereunder, if available, or (ii) Rule 144 thereunder, if available, and in each case in accordance with any applicable state securities or "blue sky" laws; (D) the transfer is in compliance with another exemption from registration under the U.S. Securities Act and applicable state securities laws; or (E) the transfer is made pursuant to an effective registration statement under the U.S. Securities Act and any applicable state securities laws; provided that, it has prior to any transfer pursuant to Sections 2.12(b)(C)(ii) or 2.12(b)(D) furnished to the Warrant Agent and the Corporation an opinion of counsel or other evidence in form and substance reasonably satisfactory to the Corporation to such effect. In relation to a transfer under (C)(ii) or (D) above, unless the Corporation and the Warrant Agent receive an opinion of counsel, of recognized standing, or other

evidence reasonably satisfactory to the Corporation in form and substance, to the effect that the U.S. Legend set forth in subsection 2.8(a) is no longer required on the Warrant Certificates representing the transferred Warrants, the Warrant Certificates received by the transferee will continue to bear the U.S. Legend set forth in Section 2.8(a).

(c) Subject to the provisions of this Indenture, Applicable Legislation and applicable law, the Warrantholder shall be entitled to the rights and privileges attaching to the Warrants, and the issue of Common Shares by the Corporation upon the exercise of Warrants in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Warrants, and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder.

2.13 Cancellation of Surrendered Warrants.

All Warrant Certificates surrendered pursuant to Article 3 or transferred or exchanged pursuant to Article 2 shall be cancelled by the Warrant Agent, and, upon such circumstances, all such Uncertificated Warrants shall be deemed cancelled and so noted on the register by the Warrant Agent. Upon request by the Corporation, the Warrant Agent shall furnish to the Corporation a cancellation certificate identifying the Warrant Certificates so cancelled, the number of Warrants evidenced thereby, the number of Common Shares, if any, issued pursuant to such Warrants and the details of any Warrant Certificates issued in substitution or exchange for such Warrant Certificates cancelled.

ARTICLE 3
EXERCISE OF WARRANTS

3.1 Right of Exercise.

Subject to the provisions hereof, each Warrantholder may exercise the right conferred on such holder to subscribe for and purchase one (1) Common Share for each Warrant after the Issue Date and prior to the Expiry Time, subject to adjustment, and in accordance with the conditions herein; provided, however, that such exercise must be permitted under the U.S. Securities Act and under any applicable United States state securities laws.

3.2 Warrant Exercise.

(a) Holders of Certificated Warrants who wish to exercise the Warrants held by them in order to acquire Common Shares must, if permitted pursuant to the terms and conditions hereunder and as set forth in any applicable legend, complete the exercise form (the "**Exercise Notice**") attached to the Warrant Certificate(s) which form is attached hereto as Schedule "B", which may be amended by the Corporation with the consent of the Warrant Agent, if such amendment does not, in the reasonable opinion of the Corporation and the Warrant Agent, which may be based on the advice of Counsel, materially and adversely affect the rights, entitlements and interests of the Warrantholders, and deliver such certificate(s), the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant

Agent at the Warrant Agency. The Warrants represented by a Warrant Certificate shall be deemed to be surrendered upon personal delivery of such certificate, Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

(b) In addition to completing the Exercise Notice attached to the Warrant Certificate(s), a Warrantholder (other than an Original U.S. Warrantholder) who is (i) in the United States, (ii) a U.S. Person, (iii) a person exercising such Warrants for the account or benefit of a U.S. Person or a person in the United States, (iv) executing or delivering the Exercise Notice attached as Schedule "B" hereto in the United States, or (v) requesting delivery in the United States of the Warrant Shares, must provide an opinion of counsel of recognized standing or other evidence, in form and substance reasonably satisfactory to the Corporation, that the exercise is exempt from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States.

(c) A Warrantholder evidenced by a security entitlement in respect of Warrants must complete the Exercise Notice and deliver the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency. The Uncertificated Warrants shall be deemed to be surrendered upon receipt of the Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

(d) A beneficial owner of Warrants issued in uncertificated form evidenced by a security entitlement in respect of Warrants in the book entry registration system who desires to exercise his or her Warrants must do so by causing a Book Entry Only Participant to deliver to the Depository on behalf of the entitlement holder, notice of the owner's intention to exercise Warrants in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, as well as payment for the aggregate Exercise Price, the Depository shall deliver to the Warrant Agent confirmation of its intention to exercise Warrants (a "**Confirmation**") in a manner acceptable to the Warrant Agent, including by electronic means through a book based registration system, including CDSX. An electronic exercise of the Warrants initiated by the Book Entry Only Participant through a book based registration system, including CDSX, shall constitute a representation to both the Corporation and the Warrant Agent that the beneficial owner at the time of exercise of such Warrants either: (i) (A) is not in the United States; (B) is not a U.S. Person and is not exercising such Warrants on behalf of a U.S. Person or a person in the United States; (C) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of a U.S. Person or a person in the United States; (D) did not receive an offer to exercise the Warrant in the United States; (E) did not execute or deliver the notice of the owner's intention to exercise such Warrants in the United States; and (F) has, in all other respects, complied with the terms of Regulation S in connection with such exercise; or (ii) is an Original U.S. Warrantholder that is a Qualified Institutional Buyer.

If the Book Entry Only Participant is not able to make or deliver either the representations in Section 3.2(d) or the representations in Section 3.2(b) by initiating the electronic exercise of the Warrants, then (a) such Warrants shall be withdrawn from the book based registration system, including CDSX, by the Book Entry Only Participant; (b) an individually registered Warrant Certificate shall be issued by the Warrant Agent to such beneficial owner or Book Entry Only Participant and (c) the exercise procedures set forth in Section 3.2(a) shall be followed.

(e) Payment representing the aggregate Exercise Price must be provided to the appropriate office of the Book Entry Only Participant in a manner acceptable to it. A notice in form acceptable to the Book Entry Only Participant and payment from such beneficial holder should be provided to the Book Entry Only Participant sufficiently in advance so as to permit the Book Entry Only Participant to deliver notice and payment to the Depository and for the Depository in turn to deliver notice and payment to the Warrant Agent prior to Expiry Time. The Depository will initiate the exercise by way of the Confirmation and forward the aggregate Exercise Price electronically to the Warrant Agent for prompt onward payment by the Warrant Agent to the Corporation which the Warrant Agent will promptly pay to the Corporation, and the Warrant Agent will execute the exercise by issuing to the Depository through the book entry registration system the Common Shares to which the exercising beneficial owner is entitled pursuant to the exercise. Any expense associated with the exercise process will be for the account of the entitlement holder exercising the Warrants and/or the Book Entry Only Participant exercising the Warrants on its behalf.

(f) By causing a Book Entry Only Participant to deliver notice to the Depository, a beneficial owner shall be deemed to have irrevocably surrendered his or her Warrants so exercised and appointed such Book Entry Only Participant to act as his or her exclusive settlement agent with respect to the exercise of the Warrants and the receipt of Common Shares in connection with the obligations arising from such exercise.

(g) Any notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect, and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Book Entry Only Participant to exercise or to give effect to the settlement thereof in accordance with the beneficial owner's instructions will not give rise to any obligations or liability on the part of the Corporation or Warrant Agent to the Book Entry Only Participant or the beneficial owner.

(h) Any exercise form or Exercise Notice referred to in this Section 3.2 shall be signed by the Warrantholder, or its executors or administrators or other legal representatives or an attorney of the Warrantholder, duly appointed by an instrument in writing satisfactory to the Warrant Agent, but such exercise form need not be executed by the Depository.

(i) Any exercise referred to in this Section 3.2 shall require that the entire Exercise Price for Common Shares subscribed must be paid at the time of subscription, and such Exercise Price and original Exercise Notice executed by the Warrantholder or the Confirmation from the Depository must be received by the Warrant Agent prior to the Expiry Time.

(j) Notwithstanding the foregoing in this Section 3.2, Warrants may only be exercised pursuant to this Section 3.2 by or on behalf of a Warrantholder, as applicable, who makes the certifications set forth on the Exercise Notice set out in Schedule "B" or as provided herein.

(k) If the form of Exercise Notice set forth in the Warrant Certificate shall have been amended, the Corporation shall cause the amended Exercise Notice to be forwarded to all Warrantholders.

(l) Exercise Notices and Confirmations must be delivered to the Warrant Agent at any time during the Warrant Agent's actual business hours on any Business Day prior to the Expiry Time. Any Exercise Notice or Confirmations received by the Warrant Agent after business hours on any Business Day other than the Expiry Date will be deemed to have been received by the Warrant Agent on the next following Business Day.

(m) Any Warrant with respect to which an Exercise Notice or Confirmation is not received by the Warrant Agent before the Expiry Time shall be deemed to have expired and become void and all rights with respect to such Warrants shall terminate and be cancelled.

3.3 U.S. Restrictions.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Warrants may not be exercised within the United States by or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States unless an exemption from such registration requirements is available.

(a) Warrants may not be exercised except in compliance with the requirements set forth herein, in the Warrant Certificate hereto and in the Exercise Notice attached thereto.

(b) Warrant Shares issued upon the exercise of any Certificated Warrant (and each certificate issued in exchange therefor or in substitution thereof) (i) which bears the U.S. Legend set forth in Section 2.8(a), or (ii) other than pursuant to Box A of the Exercise Notice attached as Schedule "B" hereto shall be issued in certificated form and, upon such issuance, shall bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE

INC. (THE "**CORPORATION**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided that, if any such Warrant Shares are being sold outside the United States in compliance with Rule 904 of Regulation S and in compliance with applicable local securities laws and regulations, the legend set forth above may be removed by providing a declaration to the Corporation's registrar and transfer agent and to the Corporation in the form set forth in Schedule "C" or as the Corporation may prescribe from time to time, or such other evidence which may include an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation; provided further, that, if any such Warrant Shares are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or in another transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the legend may be removed by delivery to the registrar and transfer agent of the Corporation and to the Corporation of an opinion of counsel, of recognized standing, reasonably satisfactory to the Corporation, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws.

(c) Notwithstanding anything to the contrary contained herein or in any Warrant or other agreement or instrument, the Corporation shall be entitled to cause a U.S. restrictive legend to be affixed to, or marked with respect to, any Warrant Shares issued upon exercise of Warrants at such time as the Corporation is not a "foreign issuer" (as defined in Regulation S) in the event that the Corporation determines that such affixing or marking of a U.S. restrictive legend is then necessary to comply with U.S. securities laws.

3.4 Transfer Fees and Taxes.

If any of the Common Shares subscribed for are to be issued to a person or persons other than the Warrantholder, the Warrantholder shall execute the form of transfer and will comply with such reasonable requirements as the Warrant Agent may stipulate and will pay to the Corporation or the Warrant Agent on behalf of the Corporation, all applicable transfer or similar taxes, and the Corporation will not be required to issue or deliver certificates evidencing Common Shares unless or until such Warrantholder shall have paid to the Corporation, or the Warrant Agent on behalf of the Corporation, the amount of such tax or shall have established to the satisfaction of the Corporation and the Warrant Agent that such tax has been paid or that no tax is due.

3.5 Warrant Agency.

To facilitate the exchange, transfer or exercise of Warrants and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the Warrant Agency, as the agency at which Warrants may be surrendered for exchange or transfer or at which Warrants may be exercised, and the Warrant Agent has accepted such appointment. The Corporation may, from time to time, designate alternate or additional places as the Warrant Agency (subject to the Warrant Agent's prior approval) and will give notice to the Warrant Agent of any proposed change of the Warrant Agency. Branch registers shall also be kept at such other place or places, if any, as the Corporation, with the approval of the Warrant Agent, may designate. The Warrant Agent will, from time to time, when requested to do so by the Corporation or any Warrantholder and upon payment of the Warrant Agent's reasonable charges, furnish a list of the names and addresses of Warrantholders showing the number of Warrants held by each such Warrantholder.

3.6 Effect of Exercise of Warrant Certificates.

(a) Upon the exercise of Warrants pursuant to and in compliance with Section 3.2 and subject to Section 3.3 and Section 3.4, the Common Shares to be issued pursuant to the Warrants exercised shall be deemed to have been issued, and the person or persons to whom such Common Shares are to be issued shall be deemed to have become the holder or holders of such Common Shares on the Exercise Date unless the register shall be closed on such date, in which case the Common Shares subscribed for shall be deemed to have been issued and such person or persons deemed to have become the holder or holders of record of such Common Shares, on the date on which such register is reopened. It is hereby understood that, in order for persons to whom Common Shares are to be issued, to become holders of Common Shares of record on the Exercise Date, beneficial holders must commence the exercise process sufficiently in advance so that the Warrant Agent is in receipt of all items of exercise at least one Business Day prior to such Exercise Date.

(b) As soon as practicable, and in any event no later than within five Business Days after the Exercise Date with respect to a Warrant, the Warrant Agent shall cause to be delivered or mailed to the person or persons in whose name or names the Warrant is registered or, if so specified in writing by the holder, cause to be delivered to such person or persons at the Warrant Agency where the Warrant Certificate was surrendered, a certificate or certificates for the appropriate number of Common Shares subscribed for, or any other appropriate evidence of the issuance of Common Shares to such person or persons in respect of Common Shares issued under the book entry registration system.

3.7 Partial Exercise of Warrants; Fractions.

(a) The holder of any Warrants may exercise his right to acquire a number of whole Common Shares less than the aggregate number that the holder is entitled to acquire. In the event of any exercise of a number of Warrants less than the number that the holder is entitled to exercise, the holder of Warrants upon such exercise shall, in addition, be entitled to receive, without charge therefor, one or more new Warrant Certificates, bearing the same legend, if applicable, or other appropriate evidence of Warrants, in respect of the balance of the Warrants held by such holder and which were not then exercised.

(b) Notwithstanding anything herein contained including any adjustment provided for in Section 4.1, no fractional Common Shares will be issuable upon any exercise of any Warrant, and the holder of such Warrant will not be entitled to any cash payment or compensation in lieu of a fractional Common Share. Warrants may only be exercised in a sufficient number to acquire whole numbers of Common Shares. Any fractional Common Shares shall be rounded down to the nearest whole number.

3.8 Expiration of Warrants.

Immediately after the Expiry Time, all rights under any Warrant in respect of which the right of acquisition provided for herein shall not have been exercised shall cease and terminate, and each Warrant shall be void and of no further force or effect.

3.9 Accounting and Recording.

(a) The Warrant Agent shall promptly account to the Corporation with respect to Warrants exercised, and shall promptly forward to the Corporation (or into an account or accounts of the Corporation with the bank or trust company designated by the Corporation for that purpose), all monies received by the Warrant Agent on the subscription of Common Shares through the exercise of Warrants. All such monies and any securities or other instruments, from time to time received by the Warrant Agent, shall be received as agent for, and shall be segregated and kept apart by the Warrant Agent, the Warrantholders and the Corporation as their interests may appear.

(b) The Warrant Agent shall record the particulars of Warrants exercised, which particulars shall include the names and addresses of the persons who become holders of Common Shares on exercise and the Exercise Date, in respect thereof. The Warrant Agent shall provide such particulars in writing to the Corporation and to its registrar and transfer agent for its Common Shares within five Business Days of any request by the Corporation therefor.

3.10 Securities Restrictions.

Notwithstanding anything herein contained, Common Shares will be issued upon exercise of a Warrant only in compliance with the securities laws of any applicable jurisdiction.

ARTICLE 4
ADJUSTMENT OF NUMBER OF COMMON SHARES AND EXERCISE PRICE

4.1 Adjustment of Number of Common Shares and Exercise Price.

The subscription rights in effect under the Warrants for Common Shares issuable upon the exercise of the Warrants shall be subject to adjustment, from time to time, as follows:

(a) if, at any time during the Adjustment Period, the Corporation shall:

(i) subdivide, re-divide or change its outstanding Common Shares into a greater number of Common Shares;

(ii) reduce, combine or consolidate its outstanding Common Shares into a lesser number of Common Shares; or

(iii) issue Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Warrants or any outstanding options);

(any of such events in Section 4.1(a)(i), (ii) or (iii) being called a "**Common Share Reorganization**"), then the Exercise Price shall be adjusted as of the effective date or record date of such subdivision, re-division, change, reduction, combination, consolidation or distribution, as the case may be, shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the effective date or record date after giving effect to such Common Shares Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Share that would have been outstanding had such securities been exchanged for or converted into Common Shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in this Section 4.1(a) shall occur. Upon any adjustment of the Exercise Price pursuant to Section 4.1(a), the Exchange Rate shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(b) if and whenever, at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the Current Market Price on such record date (a "**Rights Offering**"), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable; any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(b), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that, if two or more such record dates or record dates referred to in this Section 4.1(b) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates;

(c) if and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of: (i) securities of any class, whether of the Corporation or any other person (other than Common Shares); (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities

convertible into or exchangeable for Common Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness; or (iv) any other property or other assets, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the Corporation (whose determination shall be conclusive), subject to any required stock exchange approval, of such securities or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Common Shares, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price; and Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(c), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(d) if and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 4.1(a) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership, limited liability company or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership, limited liability company or other entity, any Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Common Shares that prior to such effective date the Warrantholder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership, limited liability company or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Warrantholder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Warrantholder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Warrant

Agent, relying on advice of Counsel, to give effect to or to evidence the provisions of this Section 4.1(d), the Corporation, its successor, or such purchasing body corporate, partnership, limited liability company, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Warrantholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Warrant Agent pursuant to the provisions of this Section 4.1(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 8 hereof. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, limited liability company, trust or other entity and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1 and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances;

(e) in any case in which this Section 4.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Warrantholder of any Warrant exercised after the record date and prior to completion of such event the additional Common Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such Warrantholder an appropriate instrument evidencing such Warrantholder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of exercise or such later date as such Warrantholder would, but for the provisions of this Section 4.1(e), have become the holder of record of such additional Common Shares pursuant to Section 4.1;

(f) in any case in which Section 4.1(a)(iii), Section 4.1(b) or Section 4.1(c) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Warrantholders of the outstanding Warrants receive, subject to any required stock exchange or regulatory approval, the rights or warrants referred to in Section 4.1(a)(iii), Section 4.1(b) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in Section 4.1(c), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrant having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be;

(g) the adjustments provided for in this Section 4.1 are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.1, provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect and no change in the number of Common Shares issuable upon exercise of the Warrants shall be required unless such adjustment would require adjustment by at least one one-hundredth of a Common Share, as applicable; provided, however, that any adjustments that, by reason of this Section 4.1(g), are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and

(h) after any adjustment pursuant to this Section 4.1, the term "**Common Shares**" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Warrantholder is entitled to receive upon the exercise of his Warrant, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or securities a Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full exercise of a Warrant.

4.2 Entitlement to Common Shares on Exercise of Warrant.

All Common Shares or shares of any class or other securities, which a Warrantholder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be Common Shares that such Warrantholder is entitled to acquire pursuant to such Warrant.

4.3 No Adjustment for Certain Transactions.

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Indenture or in connection with: (a) any share incentive plan or restricted share plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; (b) the satisfaction of existing instruments issued at the date hereof; or (c) payment of Dividends in the ordinary course.

4.4 Determination by Independent Firm.

In the event of any question arising with respect to the adjustments provided for in this Article 4, such question shall be conclusively determined by an independent firm of chartered professional accountants (other than the Auditors), who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Warrant Agent, all holders and all other persons interested therein.

4.5 Proceedings Prior to any Action Requiring Adjustment.

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of Counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Common Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

4.6 Certificate of Adjustment.

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 4.1, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of the Corporation's Auditors verifying such calculation. The Warrant Agent shall rely, and shall be protected in so doing, upon the certificate of the Corporation or of the Corporation's Auditor and any other document filed by the Corporation pursuant to this Article 4 for all purposes.

4.7 Notice of Special Matters.

The Corporation covenants with the Warrant Agent that, so long as any Warrant remains outstanding, it will give notice to the Warrant Agent and to the Warrantholders of its intention to fix a record date that is prior to the Expiry Date for any matter for which an adjustment may be required pursuant to Section 4.1. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The Corporation shall use its reasonable commercial efforts to give such notice not less than 14 days prior to such applicable record date. If notice has been given and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable, file with the Warrant Agent a computation of the adjustment and give notice to the Warrantholders of such adjustment computation.

4.8 No Action after Notice.

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which would deprive the Warrantholder of the opportunity to exercise its right of acquisition pursuant thereto during the period of 14 days after the giving of the certificate or notices set forth in Section 4.6 and Section 4.7.

4.9 Other Action.

If the Corporation, after the date hereof, shall take any action affecting the Common Shares (other than action described in Section 4.1), which in the reasonable opinion of the directors of the Corporation, would materially affect the rights of Warrantholders, the Exercise Price and/or the Exchange Rate, the number of Common Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting

reasonably and in good faith, in their sole discretion, as they may determine to be equitable to the Warrantholders in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Common Shares are listed for trading has been obtained.

4.10 Protection of Warrant Agent.

The Warrant Agent shall not:

(a) at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any other securities or property which may, at any time, be issued or delivered upon the exercise of the rights attaching to any Warrant;

(c) be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates for the same upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article; and

(d) incur any liability or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Corporation.

4.11 Participation by Warrantholder.

No adjustments shall be made pursuant to this Article 4 if the Warrantholders are entitled to participate in any event described in this Article 4 on the same terms, mutatis mutandis, as if the Warrantholders had exercised their Warrants prior to, or on the effective date or record date of, such event.

ARTICLE 5
RIGHTS OF THE CORPORATION AND COVENANTS

5.1 Optional Purchases by the Corporation.

Subject to compliance with applicable securities legislation and approval of applicable regulatory authorities, if any, the Corporation may, from time to time purchase, by private contract or otherwise any of the Warrants with the consent of the holders of such Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors, such Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. In the case of Certificated Warrants, Warrant Certificates representing the Warrants purchased pursuant to this Section 5.1 shall forthwith be delivered to and cancelled by the Warrant Agent and reflected accordingly on the register of Warrants. In the case of Uncertificated Warrants, the Warrants purchased pursuant to this Section 5.1 shall be reflected accordingly on the register of

Warrants and in accordance with procedures prescribed by the Depository under the book entry registration system or, with respect to Uncertificated Warrants represented by a DRS Advice, reflected on the register of Warrants and in accordance with the procedures of the Warrant Agent for its DRS. No Warrants shall be issued in replacement thereof.

5.2 General Covenants.

The Corporation covenants with the Warrant Agent that, so long as any Warrants remain outstanding:

(a) it will reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Warrants;

(b) it will cause the Common Shares from time to time acquired pursuant to the exercise of the Warrants to be duly issued and delivered in accordance with the Warrants and the terms hereof;

(c) all Common Shares which shall be issued upon exercise of the right to acquire provided for herein shall be fully paid and non-assessable;

(d) it will use reasonable commercial efforts to maintain its existence and carry on its business in the ordinary course;

(e) it will use reasonable commercial efforts to ensure that all Common Shares outstanding or issuable from time to time (including without limitation the Common Shares issuable on the exercise of the Warrants) continue to be or are listed and posted for trading on the NEO or CSE (or such other stock exchange acceptable to the Corporation), provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the NEO or CSE, so long as the holders of Common Shares receive securities of an entity that is listed on a stock exchange in Canada or the United States, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the NEO, CSE or other stock exchange on which the Common Shares are trading;

(f) it will make all requisite filings under applicable Canadian securities legislation including those necessary to remain a reporting issuer not in default in each of the provinces and other Canadian jurisdictions where it is or becomes a reporting issuer for a period of 24 months after the Effective Date, provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the NEO or CSE (or such other Canadian stock exchange acceptable to the Corporation), so long as the holders of Common Shares receive securities of an entity that is listed on a stock exchange in Canada or the United States, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the NEO, CSE or other Canadian stock exchange on which the Common Shares are trading;

(g) the Corporation will promptly notify the Warrant Agent and the Warrantholders in writing of any default under the terms of this Warrant Indenture which remains unrectified for more than ten days following its occurrence;

(h) the Corporation will generally perform and carry out all of the acts or things to be done by it as provided in this Warrant Indenture.

5.3 Warrant Agent's Remuneration and Expenses.

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of the duties hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Warrant Agent against unpaid invoices and shall be payable upon demand. This Section shall survive the resignation or removal of the Warrant Agent and/or the termination of this Indenture.

5.4 Performance of Covenants by Warrant Agent.

If the Corporation fails to perform any of its covenants contained in this Indenture, the Warrant Agent may notify the Warrantholders of such failure on the part of the Corporation and may itself perform any of the covenants capable of being performed by it but, subject to Section 9.2, shall be under no obligation to perform said covenants or to notify the Warrantholders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 5.3. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

5.5 Enforceability of Warrants.

The Corporation covenants and agrees that it is duly authorized to create and issue the Warrants to be issued hereunder and that the Warrants, when issued and Authenticated as herein provided, will be valid and enforceable against the Corporation in accordance with the provisions hereof and the terms hereof and that, subject to the provisions of this Indenture, the Corporation will cause the Common Shares from time to time acquired upon exercise of Warrants issued under this Indenture to be duly issued and delivered in accordance with the terms of this Indenture.

ARTICLE 6
ENFORCEMENT

6.1 Suits by Warrantholders.

All or any of the rights conferred upon any Warrantholder by any of the terms of this Indenture may be enforced by the Warrantholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Warrantholders.

6.2 Suits by the Corporation.

The Corporation shall have the right to enforce full payment of the Exercise Price of all Common Shares issued by the Warrant Agent to a Warrantholder hereunder and shall be entitled to demand such payment from the Warrantholder or alternatively to instruct the Warrant Agent to cancel the share certificates and amend the securities register accordingly.

6.3 Immunity of Shareholders, etc.

The Warrant Agent and the Warrantholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, trustee, director, officer, employee or agent of the Corporation or any successor entity on any covenant, agreement, representation or warranty by the Corporation herein.

6.4 Waiver of Default.

Upon the happening of any default hereunder:

(a) the holders of not less than 51% of the Warrants then outstanding shall have power (in addition to the powers exercisable by Extraordinary Resolution) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or

(b) the Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, on the advice of Counsel, if, in the Warrant Agent's opinion, based on the advice of Counsel, the same shall have been cured or adequate provision made therefor;

provided that no delay or omission of the Warrant Agent or of the Warrantholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or of the Warrantholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

ARTICLE 7
MEETINGS OF WARRANTHOLDERS

7.1 Right to Convene Meetings.

The Warrant Agent may, at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Warrantholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Warrantholders signing such Warrantholders' Request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Warrantholders. If the Warrant Agent fails to so call a meeting within seven days after receipt of such written request of the Corporation or such Warrantholders' Request and the indemnity and funding given as aforesaid, the Corporation or such Warrantholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Vancouver, British Columbia or at such other place as may be mutually approved or determined by the Warrant Agent and the Corporation.

7.2 Notice.

At least 21 days' prior written notice of any meeting of Warrantholders shall be given to the Warrantholders in the manner provided for in Section 10.2 and a copy of such notice shall be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Warrantholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Section 7.2.

7.3 Chairman.

An individual (who need not be a Warrantholder) designated in writing by the Warrant Agent and the Corporation shall be chairman of the meeting and, if no individual is so designated, or if the individual so designated is not present within fifteen minutes from the time fixed for the holding of the meeting, the Warrantholders present in person or by proxy shall choose an individual present to be chairman.

7.4 Quorum.

Subject to the provisions of Section 7.11, at any meeting of the Warrantholders a quorum shall consist of Warrantholder(s) present in person or by proxy holding at least 10% of the aggregate of all the then outstanding Warrants. If a quorum of the Warrantholders shall not be present within thirty minutes from the time fixed for holding any meeting, the meeting, if summoned by Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the

Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not hold at least 10% of all the then outstanding Warrants.

7.5 Power to Adjourn.

The chairman of any meeting at which a quorum of the Warrantholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

7.6 Show of Hands.

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands, except that votes on an Extraordinary Resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

7.7 Poll and Voting.

(a) On every Extraordinary Resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Warrantholders acting in person or by proxy and holding in the aggregate at least 5% of all the Warrants then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by Extraordinary Resolution shall be decided by a majority of the votes cast on the poll.

(b) On a show of hands, every person who is present and entitled to vote, whether as a Warrantholder or as proxy for one or more absent Warrantholders, or both, shall have one vote. On a poll, each Warrantholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Warrant then held or represented by it. A proxy need not be a Warrantholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants, if any, held or represented by him.

7.8 Regulations.

(a) The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make and from time to time vary such regulations as it shall think fit for the setting of the record date for a meeting for the purpose of determining Warrantholders entitled to receive notice of and to vote at the meeting.

(b) Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Warrantholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), shall be Warrantholders or proxies of Warrantholders.

7.9 Corporation and Warrant Agent May be Represented.

The Corporation and the Warrant Agent, by their respective directors, officers, agents, and employees and the Counsel for the Corporation and for the Warrant Agent may attend any meeting of the Warrantholders.

7.10 Powers Exercisable by Extraordinary Resolution.

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Warrantholders at a meeting shall, subject to the provisions of Section 7.11, have the power exercisable from time to time by Extraordinary Resolution:

(a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Warrantholders or the Warrant Agent in its capacity as warrant agent hereunder (subject to the Warrant Agent's prior consent, acting reasonably) or on behalf of the Warrantholders against the Corporation whether such rights arise under this Indenture or otherwise;

(b) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Warrantholders;

(c) to direct or to authorize the Warrant Agent, subject to Section 9.2(b) hereof, to enforce any of the covenants on the part of the Corporation contained in this Indenture or to enforce any of the rights of the Warrantholders in any manner specified in such Extraordinary Resolution or to refrain from enforcing any such covenant or right;

(d) to waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture either unconditionally or upon any conditions specified in such Extraordinary Resolution;

(e) to restrain any Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or to enforce any of the rights of the Warrantholders;

(f) to direct any Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Warrantholder in connection therewith;

(g) to assent to any change in or omission from the provisions contained in this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;

(h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Warrant Agent or its successor in office and to appoint a new warrant agent or warrant agents to take the place of the Warrant Agent so removed; and

(i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

7.11 Meaning of Extraordinary Resolution.

(a) The expression "Extraordinary Resolution" when used in this Indenture means, subject as hereinafter provided in this Section 7.11 and in Section 7.14, a resolution: (i) proposed at a meeting of Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Warrantholders holding at least 10% of the aggregate number of then outstanding Warrants and passed by the affirmative votes of Warrantholders holding not less than 66 2/3% of the aggregate number of then outstanding Warrants at the meeting and voted on the poll upon such resolution; or (ii) in writing signed by the holders of at least 66 2/3% of the then outstanding Warrants on any matter that would otherwise be voted upon at a meeting called to approve such resolution as contemplated in Section 7.11(a)(i).

(b) If, at the meeting at which an Extraordinary Resolution is to be considered, Warrantholders holding at least 10% of the aggregate number of then outstanding Warrants are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Warrantholders or on a Warrantholders' Request, shall be dissolved, but, in any other case, it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 14 days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice shall state that at the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 7.11(a) shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that Warrantholders holding at least 10% of the aggregate number of then outstanding Warrants are not present in person or by proxy at such adjourned meeting.

(c) Subject to Section 7.14, votes on an Extraordinary Resolution shall always be given on a poll, and no demand for a poll on an Extraordinary Resolution shall be necessary.

7.12 Powers Cumulative.

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Warrantholders by Extraordinary Resolution or otherwise may be exercised from time to time, and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Warrantholders to exercise such power or powers or combination of powers then or thereafter from time to time.

7.13 Minutes.

Minutes of all resolutions and proceedings at every meeting of Warrantholders shall be made and duly entered in books to be provided from time to time for that purpose by the Warrant Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

7.14 Instruments in Writing.

All actions that may be taken and all powers that may be exercised by the Warrantholders at a meeting held as provided in this Article 7 may also be taken and exercised by Warrantholders holding not less than 66 2/3% of the aggregate number of all of the then outstanding Warrants by an instrument in writing signed in one or more counterparts by such Warrantholders in person or by attorney duly appointed in writing, and the expression "**Extraordinary Resolution**" when used in this Indenture shall include an instrument so signed.

7.15 Binding Effect of Resolutions.

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 7 at a meeting of Warrantholders shall be binding upon all the Warrantholders, whether present at or absent from such meeting, and every instrument in writing signed by Warrantholders in accordance with Section 7.14 shall be binding upon all the Warrantholders, whether signatories thereto or not, and each and every Warrantholder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

7.16 Holdings by Corporation Disregarded.

In determining whether Warrantholders holding Warrants evidencing the required number of Warrants are present at a meeting of Warrantholders for the purpose of determining a quorum or have concurred in any consent, waiver, Extraordinary Resolution, Warrantholders' Request or other action under this Indenture, Warrants owned legally or beneficially by the Corporation shall be disregarded in accordance with the provisions of Section 10.7.

ARTICLE 8
SUPPLEMENTAL INDENTURES

8.1 Provision for Supplemental Indentures for Certain Purposes.

From time to time, the Corporation (when authorized by action of the directors) and the Warrant Agent may, subject to NEO and CSE approval (if required) and the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

(a) setting forth any adjustments resulting from the application of the provisions of Article 4;

(b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Warrantholders;

(c) giving effect to any Extraordinary Resolution passed as provided in Section 7.11;

(d) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Warrantholders;

(e) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrants, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;

(f) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Warrant Agent, relying on the advice of Counsel, such modification or relief in no way prejudices any of the rights of the Warrantholders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative;

(g) providing for the issuance of additional Warrants hereunder, including Warrants in excess of the number set out in Section 2.1 and any consequential amendments hereto as may be required by the Warrant Agent relying on the advice of Counsel; and

(h) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Warrant Agent, relying on the advice of Counsel, the rights of the Warrant Agent and of the Warrantholders are in no way prejudiced thereby.

8.2 Successor Entities.

In the case of the consolidation, amalgamation, arrangement, merger or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to or with another entity ("**successor entity**"), the successor entity resulting from such consolidation, amalgamation, arrangement, merger or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Warrant Agent acting reasonably and executed and delivered to the Warrant Agent, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

ARTICLE 9
CONCERNING THE WARRANT AGENT

9.1 Indenture Legislation.

(a) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.

(b) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

9.2 Rights and Duties of Warrant Agent.

(a) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall act honestly and in good faith and exercise that degree of care, diligence and skill that a reasonably prudent warrant agent would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Warrant Agent from liability for its own grossly negligent action, willful misconduct, bad faith or fraud.

(b) The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Warrantholders hereunder shall be conditional upon the Warrantholders furnishing, when required by notice by the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent and its officers, directors, employees and agents, against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.

(c) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Warrantholders, at whose instance it is acting to deposit with the Warrant Agent the Warrant Certificates held by them, for which Warrants the Warrant Agent shall issue receipts.

(d) Every provision of this Indenture that, by its terms, relieves the Warrant Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Applicable Legislation.

9.3 Evidence, Experts and Advisers.

(a) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.

(b) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to a request of the Warrant Agent, provided that such evidence complies with Applicable Legislation and that the Warrant Agent complies with Applicable Legislation and that the Warrant Agent examines the same and determines that such evidence complies with the applicable requirements of this Indenture.

(c) Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.

(d) The Warrant Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel, and shall not be responsible for any misconduct or gross negligence on the part of any such experts or advisers who have been appointed with due care by the Warrant Agent.

(e) The Warrant Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any Counsel, accountant, appraiser, engineer or other expert or adviser, whether retained or employed by the Corporation or by the Warrant Agent, in relation to any matter arising in the administration of the agency hereof.

9.4 Documents, Monies, etc. Held by Warrant Agent.

(a) Any monies, securities, documents of title or other instruments that may at any time be held by the Warrant Agent shall be placed in the deposit vaults of the Warrant Agent or of any Canadian chartered bank listed in Schedule I of the *Bank Act* (Canada), or deposited for safekeeping with any such bank. Any monies held pending the application or withdrawal thereof under any provisions of this Indenture, shall be held, invested and reinvested in "Permitted Investments" as directed in writing by the Corporation. "Permitted Investments" shall be treasury bills guaranteed by the Government of Canada having a term to maturity not to exceed ninety (90) days, or term deposits or bankers' acceptances of a Canadian chartered bank having a term to maturity not to exceed ninety (90) days, or such other investments that is in accordance with the Warrant Agent's standard type of investments. Unless otherwise specifically provided herein, all interest or other income received by the Warrant Agent in respect of such deposits and investments shall belong to the Corporation.

(b) Any written direction for the investment or release of funds received shall be received by the Warrant Agent by 9:00 a.m. (Vancouver Time) on the Business Day on which such investment or release is to be made, failing which such direction will be handled on a commercially reasonable efforts basis and may result in funds being invested or released on the next Business Day.

(c) The Warrant Agent shall have no responsibility or liability for any diminution of any funds resulting from any investment made in accordance with this Indenture, including any losses on any investment liquidated prior to maturity in order to make a payment required hereunder.

(d) In the event that the Warrant Agent does not receive a direction or only a partial direction, the Warrant Agent may hold cash balances constituting part or all of such monies and may, but need not, invest same in its deposit department, the deposit department of one of its affiliates, or the deposit department of a Canadian chartered bank; but the Warrant Agent, its affiliates or a Canadian chartered bank shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity.

9.5 Actions by Warrant Agent to Protect Interest.

The Warrant Agent shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Warrantholders.

9.6 Warrant Agent Not Required to Give Security.

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the agency and powers of this Indenture or otherwise in respect of the premises.

9.7 Protection of Warrant Agent.

By way of supplement to the provisions of any law for the time being relating to the Warrant Agent, it is expressly declared and agreed as follows:

(a) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representation contained in Section 9.9 or in the Authentication of the Warrant Agent on the Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;

(b) nothing herein contained shall impose any obligation on the Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;

(c) the Warrant Agent shall not be bound to give notice to any person or persons of the execution hereof;

(d) the Warrant Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of its covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation;

(e) the Corporation hereby indemnifies and agrees to hold harmless the Warrant Agent, its affiliates, their officers, directors, employees, agents, successors and assigns (the "**Indemnified Parties**") from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits, proceedings, costs, charges, assessments, judgments, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Indemnified Parties, or any of them, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties' duties, or any other services that Warrant Agent may provide in connection with or in any way relating to this Indenture. The Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that, notwithstanding any other provision of this Indenture, the Corporation shall not be required to hold harmless or indemnify the Indemnified Parties in the event of the gross negligence, bad faith, willful misconduct or fraud of the Warrant Agent or any Indemnified Party, and this provision shall survive the resignation or removal of the Warrant Agent or the termination or discharge of this Indenture; and

(f) notwithstanding the foregoing or any other provision of this Indenture, any liability of the Warrant Agent, other than arising as a result of the gross negligence, bad faith, willful misconduct or fraud of the Warrant Agent, shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Corporation to the Warrant Agent under this Indenture in the twelve (12) months immediately prior to the Warrant Agent receiving the first notice of the claim. Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Warrant Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

9.8 Replacement of Warrant Agent; Successor by Merger.

(a) The Warrant Agent may resign its agency and be discharged from all further duties and liabilities hereunder, subject to this Section 9.8, by giving to the Corporation not less than 60 days' prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Warrantholders by Extraordinary Resolution shall have power at any time to remove the existing Warrant Agent and to appoint a new warrant agent. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into

liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new warrant agent unless a new warrant agent has already been appointed by the Warrantholders; failing such appointment by the Corporation, the retiring Warrant Agent or any Warrantholder may apply to a judge of the Province of British Columbia on such notice as such judge may direct, for the appointment of a new warrant agent; but any new warrant agent so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Warrantholders. Any new warrant agent appointed under any provision of this Section 9.8 shall be an entity authorized to carry on the business of a trust company in the Province of British Columbia and, if required by the Applicable Legislation for any other provinces, in such other provinces. On any such appointment the new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent hereunder.

(b) Upon the appointment of a successor warrant agent, the Corporation shall promptly notify the Warrantholders thereof in the manner provided for in Section 10.2.

(c) Any Warrant Certificates Authenticated but not delivered by a predecessor Warrant Agent may be Authenticated by the successor Warrant Agent in the name of the predecessor or successor Warrant Agent.

(d) Any corporation into which the Warrant Agent may be merged or consolidated or amalgamated or to which all or substantially all of its business is sold, or any corporation resulting therefrom to which the Warrant Agent shall be a party, or any corporation succeeding to substantially the corporate trust business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as successor Warrant Agent under Section 9.8(a).

9.9 Conflict of Interest

The Warrant Agent represents to the Corporation that at the time of execution and delivery hereof no material conflict of interest exists between its role as a warrant agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 60 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its agency hereunder to a successor Warrant Agent approved by the Corporation and meeting the requirements set forth in Section 9.8(a)). Notwithstanding the foregoing provisions of this Section 9.9, if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Indenture and the Warrant Certificate shall not be affected in any manner whatsoever by reason thereof.

9.10 Acceptance of Agency

The Warrant Agent hereby accepts the agency in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth.

9.11 Warrant Agent Not to be Appointed Receiver.

The Warrant Agent and any person related to the Warrant Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

9.12 Authorization to Carry on Business

The Warrant Agent represents to the Corporation that as at the date of the execution and delivery of this Indenture, it is duly authorized and qualified to carry on the business of a trust company in the Province of British Columbia.

9.13 Warrant Agent Not Required to Give Notice of Default.

The Warrant Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and in the absence of any such notice the Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.

9.14 Anti-Money Laundering.

(a) Each party to this Agreement (other than the Warrant Agent) hereby represents to the Warrant Agent that any account to be opened by, or interest to be held by, the Warrant Agent in connection with this Agreement, for or to the credit of such party, either: (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Warrant Agent's prescribed form as to the particulars of such third party.

(b) The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten (10) days written notice to the other parties to this Agreement, provided: (i) that the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Warrant Agent's satisfaction within such ten (10) day period, then such resignation shall not be effective.

9.15 Compliance with Privacy Code.

The parties acknowledge that the Warrant Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(a) to provide the services required under this Indenture and other services that may be requested from time to time;

(b) to help the Warrant Agent manage its servicing relationships with such individuals;

(c) to meet the Warrant Agent's legal and regulatory requirements; and

(d) if Social Insurance Numbers are collected by the Warrant Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Warrant Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Indenture for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Warrant Agent shall make available on its website or upon request, including revisions thereto. The Warrant Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, each party agrees that it shall not provide or cause to be provided to the Warrant Agent any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

9.16 Securities Exchange Commission Certification.

The Corporation confirms that as at the date hereof it does not have a class of securities registered pursuant to Section 12 of the U.S. Exchange Act or a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act.

The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the U.S. Exchange Act, (ii) the Corporation shall incur a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act, or (iii) any such registration or reporting obligation shall be terminated by the Corporation in accordance with the U.S. Exchange Act, the Corporation shall promptly deliver to the Warrant Agent an officers' certificate notifying the Warrant Agent of such registration, reporting obligation or termination, and such other information as the Warrant Agent may reasonably require at the time. The Corporation acknowledges that the Warrant Agent is relying upon the foregoing representation and covenants in order to meet certain obligations of the Warrant Agent with respect to those clients of the Warrant Agent that are required to file reports with the SEC under the U.S. Exchange Act.

ARTICLE 10
GENERAL

10.1 Notice to the Corporation and the Warrant Agent.

(a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if delivered, sent by registered letter, postage prepaid or if emailed:

(i) If to the Corporation:

Columbia Care Inc.
680 Fifth Avenue, 24th Floor
New York, NY 10019 USA

Attention: Mary-Alice Miller, Chief Risk Officer
Email: mmiller@col-care.com

(ii) If to the Warrant Agent:

Odyssey Trust Company
323 – 409 Granville Street
Vancouver, British Columbia V6C 1T2

Attention: Corporate Trust
Email: corptrust@odysseytrust.com

and any such notice delivered in accordance with the foregoing shall be deemed to have been received and given on the date of delivery or, if mailed, on the fifth Business Day following the date of mailing such notice or, if transmitted by electronic means, on the next Business Day following the date of transmission.

(b) The Corporation or the Warrant Agent, as the case may be, may, from time to time, notify the other in the manner provided in Section 10.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.

(c) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed, as provided in Section 10.1(a), or given by email or other means of prepaid, transmitted and recorded communication.

10.2 Notice to Warrantholders.

(a) Unless otherwise provided herein, notice to the Warrantholders under the provisions of this Indenture shall be valid and effective if delivered or sent by ordinary prepaid post addressed to such holders at their post office addresses

appearing on the register hereinbefore mentioned and shall be deemed to have been effectively received and given on the date of delivery or, if mailed, on the third Business Day following the date of mailing such notice. In the event that Warrants are held in the name of the Depository, a copy of such notice shall also be sent by electronic communication to the Depository and shall be deemed received and given on the day it is so sent.

(b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to such Warrantholders to the address for such Warrantholders contained in the register maintained by the Warrant Agent or such notice may be given, at the Corporation's expense, by means of publication in the Globe and Mail, National Edition, or any other English language daily newspaper or newspapers of general circulation in Canada, in each two successive weeks, the first such notice to be published within 5 Business Days of such event, and any so notice published shall be deemed to have been received and given on the latest date the publication takes place.

(c) Accidental error or omission in giving notice or accidental failure to mail notice to any Warrantholder will not invalidate any action or proceeding founded thereon.

10.3 Ownership of Warrants.

The Corporation and the Warrant Agent may deem and treat the Warrantholders as the absolute owner thereof for all purposes, and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary, except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. The receipt of any such Warrantholder of the Common Shares which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Warrant Agent for the same and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

10.4 Counterparts and Electronic Means.

This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, they shall be deemed to be dated as of the date hereof. Delivery of an executed copy of this Indenture by facsimile, electronic transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Indenture as of the date hereof.

10.5 Satisfaction and Discharge of Indenture.

Upon the earlier of:

(a) the date by which there shall have been delivered to the Warrant Agent for exercise or cancellation all Warrants theretofore Authenticated hereunder, in the case of Certificated Warrants (or such other instructions, in a form satisfactory to the Warrant Agent) or, in the case of Uncertificated Warrants, by way of standard processing through the book entry only system in the case of a CDS Global Warrant; and

(b) the Expiry Time;

and if all certificates or other entry on the register representing Common Shares required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Warrant Agent in accordance with such provisions, this Indenture shall cease to be of further effect, and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

10.6 Provisions of Indenture and Warrants for the Sole Benefit of Parties and Warrantholders.

Nothing in this Indenture or in the Warrants, expressed or implied, shall give or be construed to give to any person, other than the parties hereto and the Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Warrantholders.

10.7 Warrants Owned by the Corporation - Certificate to be Provided.

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation in Section 7.16, the Corporation shall provide to the Warrant Agent, from time to time, a certificate of the Corporation setting forth as at the date of such certificate:

(a) the names (other than the name of the Corporation) of the Warrantholders which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation; and

(b) the number of Warrants owned legally or beneficially by the Corporation;

and the Warrant Agent, in making the computations in Section 7.16, shall be entitled to rely on such certificate without any additional evidence.

10.8 Severability

If, in any jurisdiction, any provision of this Indenture or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision will, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without (a) invalidating the remaining provisions of this Indenture, (b) affecting the validity or enforceability of such provision in any other jurisdiction or (c) affecting its application to other parties or circumstances.

10.9 Force Majeure

No party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

10.10 Assignment, Successors and Assigns

Neither of the parties hereto may assign its rights or interest under this Indenture, except as provided in (a) Section 9.8 in the case of the Warrant Agent or (b) Section 8.2 in the case of the Corporation. Subject thereto, this Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

10.11 Rights of Rescission and Withdrawal for Holders

Should a holder of Warrants exercise any legal, statutory, contractual or other right of withdrawal or rescission that may be available to it, and the holder's funds which were paid on exercise have already been released to the Corporation by the Warrant Agent, the Warrant Agent shall not be responsible for ensuring the exercise is cancelled and a refund is paid back to the holder. In such cases, the holder shall seek a refund directly from the Corporation and subsequently, the Corporation, upon surrender to the Corporation or the Warrant Agent of any underlying shares that may have been issued, or such other procedure as agreed to by the parties hereto, shall instruct the Warrant Agent in writing, to cancel the exercise transaction and any such underlying shares on the register, which may have already been issued upon the Warrant exercise. In the event that any payment is received from the Corporation by virtue of the holder being a shareholder for such Warrants that were subsequently rescinded, such payment must be returned to the Corporation by such holder. The Warrant Agent shall not be under any duty or obligation to take any steps to ensure or enforce that the funds are returned pursuant to this section, nor shall the Warrant Agent be in any other way responsible in the event that any payment is not delivered or received pursuant to this section. Notwithstanding the foregoing, in the event that the Corporation provides the refund to the Warrant Agent for distribution to the holder, the Warrant Agent shall return such funds to the holder as soon as reasonably practicable, and, in so doing, the Warrant Agent shall incur no liability with respect to the delivery or non-delivery of any such funds.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

COLUMBIA CARE INC.

By: /s/ Nicholas Vita
Name: Nicholas Vita
Title: CEO

By: /s/ Michael Abbott
Name: Michael Abbott
Title: Exec Chairman

ODYSSEY TRUST COMPANY

By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

COLUMBIA CARE INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

ODYSSEY TRUST COMPANY

By: /s/ Dan Sander
Name: Dan Sander
Title: VP, Corporate Trust

By: /s/ Amy Douglas
Name: Amy Douglas
Title: Director, Corporate Trust

SCHEDULE "A"

FORM OF WARRANT

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE ON OR BEFORE 5:00 P.M. (VANCOUVER TIME) ON MAY 14, 2023 AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

For all Warrants issued outside the United States and to Original U.S. Warrantholders that are Qualified Institutional Buyers and registered in the name of the Depository, also include the following legend:

(**INSERT IF BEING ISSUED TO CDS**) UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO COLUMBIA CARE INC. (THE "**ISSUER**") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN, AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

For Warrants originally issued for the benefit or account of a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), and each Warrant Certificate issued in exchange therefor or in substitution thereof, also include the following legends:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "**CORPORATION**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND

SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

WARRANT

To acquire Common Shares of

COLUMBIA CARE INC.

(existing under the laws of the Province of British Columbia)

Warrant Certificate No. _____

Certificate for _____ Warrants, each entitling the holder to acquire one (1) Common Share (subject to adjustment as provided for in the Warrant Indenture (as defined below)

CUSIP 197309156 [CAD] / 197309164 [US]

ISIN CA1973091566 [CAD] / US1973091648 [US]

THIS IS TO CERTIFY THAT, for value received,

(the "**Warrantholde**r") is the registered holder of the number of common share purchase warrants (the "**Warrants**") of Columbia Care Inc. (the "**Corporation**") specified above and is entitled, on exercise of these Warrants upon and subject to the terms and conditions set forth herein and in the Warrant Indenture, to purchase at any time before 5:00 p.m. (Vancouver Time) (the "**Expiry Time**") on the date that is three (3) years after the Issue Date (the "**Expiry Date**") one fully paid and non-assessable common share without par value in the capital of the Corporation as constituted on the date hereof (a "**Common Share**") for each Warrant, subject to adjustment in accordance with the terms of the Warrant Indenture.

The right to purchase Common Shares may only be exercised by the Warrantholder within the time set forth above by:

(a) duly completing and executing the exercise form (the "**Exercise Form**") attached hereto; and

(b) surrendering this warrant certificate (the "**Warrant Certificate**"), with the Exercise Form, to the Warrant Agent at the principal office of the Warrant Agent, in the city of Vancouver, British Columbia, together with a certified cheque, bank draft or money order in the lawful money of Canada payable to or to the order of the Corporation in an amount equal to the purchase price of the Common Shares so subscribed for.

The surrender of this Warrant Certificate, the duly completed Exercise Form and payment as provided above will be deemed to have been effected only on personal delivery thereof to, or if sent by mail or other means of transmission on actual receipt thereof by, the Warrant Agent at its principal office as set out above.

Subject to adjustment thereof in the events and in the manner set forth in the Warrant Indenture hereinafter referred to, the exercise price payable for each Common Share upon the exercise of Warrants shall be CDN$2.95 per Common Share (the "**Exercise Price**").

Certificates for the Common Shares subscribed for will be mailed to the persons specified in the Exercise Form at their respective addresses specified therein or, if so specified in the Exercise Form, delivered to such persons at the office where this Warrant Certificate is surrendered. If fewer Common Shares are purchased than the number that can be purchased pursuant to this Warrant Certificate, the holder hereof will be entitled to receive without charge a new Warrant Certificate in respect of the balance of the Common Shares not so purchased. No fractional Common Shares will be issued upon exercise of any Warrant and no cash or other consideration will be paid in lieu of fractional Common Shares.

This Warrant Certificate evidences Warrants of the Corporation issued or issuable under the provisions of a warrant indenture (which indenture together with all other instruments supplemental or ancillary thereto is herein referred to as the "**Warrant Indenture**") dated as of May 14, 2020 between the Corporation and Odyssey Trust Company, as Warrant Agent, to which Warrant Indenture reference is hereby made for particulars of the rights of the holders of Warrants, the Corporation and the Warrant Agent in respect thereof and the terms and conditions on which the Warrants are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth, to all of which the holder, by acceptance hereof, assents. The Corporation will furnish to the holder, on request and without charge, a copy of the Warrant Indenture.

On presentation at the principal office of the Warrant Agent as set out above, subject to the provisions of the Warrant Indenture and on compliance with the reasonable requirements of the Warrant Agent, one or more Warrant Certificates may be exchanged for one or more Warrant Certificates representing the same number of Warrants as represented by the Warrant Certificate(s) so exchanged.

Neither the Warrants nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. The Warrants may not be exercised by a person in the United States, a U.S. Person, a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or a person requesting delivery in the United States of the Common Shares issuable upon such exercise unless (i) this Warrant and such Common Shares have been registered under the U.S. Securities Act and the applicable laws of any such state, or (ii) an exemption or exclusion from such registration requirements is available and the requirements set forth in the Exercise Form have been satisfied. Certificates representing Common Shares issued to, or for the account or benefit of, persons in the United States or U.S. Persons may bear a legend restricting the transfer and exercise of such securities under applicable United States federal and state securities laws. "United States" and "U.S. Person" are as defined in Regulation S under the U.S. Securities Act.

The Warrant Indenture contains provisions for the adjustment of the Exercise Price payable for each Common Share upon the exercise of Warrants and the number of Common Shares issuable upon the exercise of Warrants in the events and in the manner set forth therein.

The Warrant Indenture also contains provisions making binding on all holders of Warrants outstanding thereunder resolutions passed at meetings of holders of Warrants held in accordance with the provisions of the Warrant Indenture and instruments in writing signed by Warrantholders of Warrants entitled to purchase a specific majority of the Common Shares that can be purchased pursuant to such Warrants.

Nothing contained in this Warrant Certificate, the Warrant Indenture or elsewhere shall be construed as conferring upon the holder hereof any right or interest whatsoever as a holder of Common Shares or any other right or interest except as herein and in the Warrant Indenture expressly provided. In the event of any discrepancy between anything contained in this Warrant Certificate and the terms and conditions of the Warrant Indenture, the terms and conditions of the Warrant Indenture shall govern.

Warrants may only be transferred in compliance with the conditions of the Warrant Indenture on the register to be kept by the Warrant Agent in Vancouver, British Columbia, or such other registrar as the Corporation, with the approval of the Warrant Agent, may appoint at such other place or places, if any, as may be designated, upon surrender of this Warrant Certificate to the Warrant Agent or other registrar accompanied by a written instrument of transfer in form and execution satisfactory to the Warrant Agent or other registrar and upon compliance with the conditions prescribed in the Warrant Indenture and with such reasonable requirements as the Warrant Agent or other registrar may prescribe and upon the transfer being duly noted thereon by the Warrant Agent or other registrar. Time is of the essence hereof.

This Warrant Certificate will not be valid for any purpose until it has been countersigned by or on behalf of the Warrant Agent from time to time under the Warrant Indenture.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language. Les parties aux présentes déclarent qu’elles ont exigé que la présente convention, de même que tous les documents s’y rapportant, soient rédigés en anglais.

[Signature Page Follows]

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be duly executed as of _____, 20__.

COLUMBIA CARE INC.

By: _____
Authorized Signatory

Countersigned by:

ODYSSEY TRUST COMPANY

By: _____
Authorized Signatory

FORM OF TRANSFER

ANY TRANSFER OF WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER

To: Odyssey Trust Company

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to

---

(print name and address) the Warrants of Columbia Care Inc. represented by this Warrant Certificate or DRS Advice and hereby irrevocable constitutes and appoints as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Warrant Agent.

In the case of a warrant certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

☐ (A) the transfer is being made to the Corporation;

☐ (B) the transfer is being made outside the United States in compliance with Rule 904 of Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and in compliance with any applicable local laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Schedule "C" to the Warrant Indenture, or

☐ (C) the transfer is being made in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to such effect.

In the case of a Warrant Certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of a U.S. Person or to a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect.

☐ If transfer is to a person in the United States or a U.S. Person, check this box.

In the case of a transfer within the United States or to, or for the account or benefit of, a U.S. Person or to a person in the United States, the certificates representing the Warrants will be endorsed with a U.S. restrictive legend.

DATED this day of , 20 .

SPACE FOR GUARANTEES OF SIGNATURES (BELOW)	)	
	)	
	)	_____
	)	Signature of Transferor
	)	
_____	)	_____
Guarantor's Signature/Stamp		Name of Transferor

REASON FOR TRANSFER – For US Citizens or Residents only (where the individual(s) or corporation receiving the securities is a US citizen or resident). Please select only one (see instructions below).

☐ **Gift** ☐ **Estate** ☐ **Private Sale** ☐ **Other (or no change in ownership)**

Date of Event (Date of gift, death or sale): **Value per Warrant on the date of event:**

__/__/____ $ ____.__ ☐ ☐

CAD OR USD

CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then-current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.
- **Canada:** A Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.

- **Outside North America:** For holders located outside North America, present the certificates(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

OR

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”, “MEDALLION GUARANTEED” OR “SIGNATURE & AUTHORITY TO SIGN GUARANTEE”, all in accordance with the transfer agent’s then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer with a “MEDALLION GUARANTEED” Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

REASON FOR TRANSFER – FOR US CITIZENS OR RESIDENTS ONLY

Consistent with U.S. IRS regulations, Odyssey Trust Company is required to request cost basis information from U.S. securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized but, rather, the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

SCHEDULE "B"

EXERCISE FORM

TO: Columbia Care Inc. (the "**Corporation**")
680 Fifth Avenue, 24th Floor
New York, NY 10019 USA

AND TO: Odyssey Trust Company (the "**Warrant Agent**")
323 – 409 Granville Street
Vancouver, British Columbia V6C 1T2

The undersigned holder of the Warrants evidenced by this Warrant Certificate or DRS Advice hereby exercises the right to acquire _____ (A) Common Shares of Columbia Care Inc.

Exercise Price Payable: _____
((A) multiplied by $2.95, subject to adjustment)

The undersigned hereby exercises the right of such holder to be issued, and hereby subscribes for, Common Shares that are issuable pursuant to the exercise of such Warrants on the terms specified in such Warrant Certificate and in the Warrant Indenture.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ (A) the undersigned holder at the time of exercise of the Warrants (i) is not in the United States, (ii) is not a U.S. Person, (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this exercise form in the United States; (vii) is not requesting delivery in the United States of the Warrant Shares issuable upon such exercise; and (viii) represents and warrants that the exercise of the Warrants and acquisition of the Warrant Shares occurred in an "offshore transaction" (as defined under Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")); OR

☐ (B) the undersigned holder is (i) an Original U.S. Warrantholder, (ii) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the subscription agreement executed and delivered in connection with its purchase of the Units pursuant to

which the Units were originally issued and of which the Warrants originally comprised a part, (iii) is, and such disclosed principal, if any, is, an Accredited Investor at the time of exercise of these Warrants, and (iv) confirms the representations and warranties of the holder made in the subscription agreement executed and delivered in connection with its purchase of the Units pursuant to which the Units were originally issued and of which the Warrants originally comprised a part remain true and correct as of the date of exercise of these Warrants; OR

☐ (C) the undersigned holder

(i) is (1) in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or (4) requesting delivery in the United States of the Warrant Shares issuable upon such exercise, and

(ii) has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants and the issuance of the Warrant Shares and has delivered to the Corporation and the Warrant Agent a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation, to that effect.

It is understood that the Corporation and the Warrant Agent may require evidence to verify the foregoing representations.

The undersigned holder understands that unless Box A above is checked, the certificate representing the Common Shares may be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Indenture and the subscription documents). If Box C above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion or other evidence tendered in connection with the exercise will be satisfactory in form and substance to the Corporation. "**U.S. Person**" and "**United States**" are as defined in Regulation S under the U.S. Securities Act.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation. The undersigned hereby further acknowledges that the Corporation will rely upon the confirmations, acknowledgements and agreements set forth herein, and agrees to notify the Corporation promptly in writing if any of the representations or warranties herein ceases to be accurate or complete.

The undersigned hereby irrevocably directs that the said Common Shares be issued, registered and delivered as follows:

Name(s) in Full and Social Insurance Number(s) (if applicable)	**Address(es)**	**Number of Common Shares**

Please print full name in which certificates representing the Common Shares are to be issued. If any Common Shares are to be issued to a person or persons other than the registered holder, the registered holder must pay to the Warrant Agent all eligible transfer taxes or other government charges, if any, and the Form of Transfer must be duly executed.

Once completed and executed, this Exercise Form must be mailed or delivered to Odyssey Trust Company, 323 – 409 Granville Street, Vancouver, British Columbia V6C 1T2, Attention: Corporate Trust.

DATED this ____ day of _____, 20__.

	)	
	)	
Witness	)	Signature of Warrantholder, to be the same as appears on the face of this Warrant Certificate
	)	
	)	
	)	
	)	
	)	Name of Warrantholder

☐ Please check if the certificates representing the Common Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which such certificates will be mailed to the address set out above. Certificates will be delivered or mailed as soon as practicable after the surrender of this Warrant Certificate to the Warrant Agent.

SCHEDULE "C"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: ODYSSEY TRUST COMPANY as registrar and transfer agent for the [Warrants / Common Shares issuable upon exercise of the Warrants] of Columbia Care Inc. (the "**Corporation**")

AND TO: THE CORPORATION

The undersigned (A) acknowledges that the sale of (the "**Securities**") of the Corporation, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that: (1) the undersigned is not an "affiliate" (as that term is defined in Rule 405 under the U.S. Securities Act) of the Corporation; (2) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) none of the seller, any affiliate of the seller or any person acting on their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such Securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this ____ day of _____, 20__.

X _____

Signature of individual (if Seller **is** an individual)

X _____

Authorized signatory (if Seller is **not** an individual)

_____

Name of Seller **(please print)**

_____

Name of authorized signatory **(please print)**

_____

Official capacity of authorized signatory **(please print)**

COLUMBIA CARE INC., AS ISSUER

AND

ODYSSEY TRUST COMPANY, AS TRUSTEE

FIRST SUPPLEMENTAL INDENTURE

Dated as of June 19, 2020

Providing for the issuance of US$12,800,000 aggregate principal amount of 5.00%
Senior Secured Convertible Notes due December 19, 2023

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SCHEDULE “A” Form of Global Note Certificate

SCHEDULE “B” Form of Conversion Notice

THIS FIRST SUPPLEMENTAL INDENTURE dated as of June 19, 2020

BETWEEN:

COLUMBIA CARE INC., a company subsisting under the laws of the Province of British Columbia (hereinafter called the "**Issuer**")

- and -

ODYSSEY TRUST COMPANY, a trust company incorporated under the laws of the Province of Alberta authorized to carry on the business of a trust company in British Columbia (hereinafter called the "**Trustee**").

WHEREAS the Issuer has entered into a master trust indenture (the "**Indenture**") with the Trustee dated as of May 14, 2020 which provides for the issuance of one or more series of notes by way of Supplemental Indentures;

AND WHEREAS pursuant to Section 14.5 of the Indenture, the Issuer and the Trustee may enter into Supplemental Indentures providing for the issue of any series of notes and for establishing the terms, provisions and conditions of a particular series of Notes;

AND WHEREAS this First Supplemental Indenture is entered into for the purpose of providing for the issuance Notes to be designated as "5% Senior Secured Convertible Notes due December 19, 2023" pursuant to the Indenture and establishing the terms, provisions and conditions of the Notes;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Issuer and not by the Trustee;

NOW THEREFORE THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH that in consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

ARTICLE 1
DEFINITION AND INTERPRETATION

Section 1.1 **To Be Read With Indenture.**

This First Supplemental Indenture is a supplemental indenture to the Indenture. The Indenture (except for Article 4) and this First Supplemental Indenture will be read together and will have effect as though all the provisions of both indentures were contained in one instrument. If any terms of the Indenture are inconsistent with the express terms or provisions hereof, the terms of this First Supplemental Indenture shall prevail to the extent of the inconsistency.

Section 1.2 **Definitions.**

All terms which are defined in the Indenture and used but not defined in this First Supplemental Indenture have the meanings ascribed to them in the Indenture, as such meanings may be amended or supplemented by this First Supplemental Indenture. In addition, the following terms shall have the meanings specified below:

"**2023 Convertible Notes**" means the 5% Senior Secured Convertible Notes due December 19, 2023."

"2023 Convertible Notes Certificate" has the meaning given to it in Section 2.9.

"**2023 Convertible Notes Maturity Date**" has the meaning given to it in Section 2.4.

"**2023 Convertible Notes Record Date**" means the close of business on December 15 and June 15 immediately preceding the relevant Interest Payment Date.

"**Additional 2023 Convertible Notes**" means any 2023 Convertible Notes issued under and pursuant to the terms of and subject to the conditions of this Indenture after the initial Issue Date.

"**Common Shares**" means the common shares in the capital of the Issuer.

"**Conversion Notice**" has the meaning given to it in Section 3.1(h).

"**Conversion Price**" has the meaning given to it in Section 3.1(a).

"**Conversion Share**" has the meaning given to it in Section 3.1(a).

"**Interest Payment Date**" means June 30 and December 31 of each year that the 2023 Convertible Notes are outstanding and (except in respect of any Additional 2023 Convertible Notes) commencing on December 31, 2020.

"**Interest Period**" means the period commencing on the later of (a) the date of issue of the 2023 Convertible Notes and (b) the immediately preceding Interest Payment Date on which interest has been paid, and ending on the day immediately preceding the Interest Payment Date in respect of which interest is payable.

"**Note Share**" has the meaning given to it in Section 3.1(a) .

Section 1.3 Conflicts with Indenture

In the event of any inconsistency between the meaning given to a term in the Indenture and the meaning given to the same term in this First Supplemental Indenture, the meaning given to the term in this First Supplemental Indenture shall prevail to the extent of the inconsistency; provided, however, that the terms and provisions of this First Series Supplement may modify or amend the terms and provisions of the Indenture solely as applied to the 2023 Convertible Notes.

Section 1.4 Headings, etc.

The division of this First Supplemental Indenture into Articles, Sections and paragraphs, the inclusion of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this First Supplemental Indenture.

Section 1.5 Governing Law.

This First Supplemental Indenture shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

ARTICLE 2
2023 CONVERTIBLE NOTES

Section 2.1 Creation and Designation of 2023 Convertible Notes

In accordance with the Indenture and this First Supplemental Indenture, the Issuer is authorized to issue a series of Notes designated "5% Senior Secured Convertible Notes due December 19, 2023" having the terms set forth in this Article 2.

Section 2.2 Aggregate Principal Amount

The aggregate principal amount of 2023 Convertible Notes which may be issued under this First Supplemental Indenture is unlimited, provided, however, that the maximum principal amount of 2023 Convertible Notes initially issued hereunder on the Issue Date shall be US$12,800,000. The Issuer may, from time to time, without the consent of any existing Holders but subject to Section 7.10 of the Indenture, create and issue Additional 2023 Convertible Notes hereunder having the same terms and conditions as the 2023 Convertible Notes in all respects, except for the date of issuance, issue price and first payment of interest thereon. Additional 2023 Convertible Notes so created and issued will be consolidated with and form a single series with the 2023 Convertible Notes.

Section 2.3 Authentication

The Trustee shall initially authenticate one or more Global Notes and/or Definitive Notes, as directed by the Issuer in the Authentication Order, for original issue on the Initial Issue Date in an aggregate principal amount of US$12,800,000 or otherwise to permit transfers or exchanges in accordance with Section 5.6 of the Indenture upon receipt by the Trustee of a duly executed Authentication Order. After the Initial Issue Date, subject to Section 2.2, the Issuer may issue, from time to time, and the Trustee shall authenticate upon receipt of an Authentication Order and the items listed in Section 3.2(d) of the Indenture, Additional 2023 Convertible Notes for original issue. Except as provided in Section 7.10 of the Indenture, there is no limit on the amount of Additional 2023 Convertible Notes that may be issued hereunder. Each such Authentication Order shall specify the principal amount of 2023 Convertible Notes to be authenticated and the date on which such 2023 Convertible Notes are to be authenticated. The aggregate principal amount of 2023 Convertible Notes outstanding at any time may not exceed the aggregate principal amount specified in the Authentication Orders provided in respect of original issues of 2023 Convertible Notes except as provided in Section 3.10 of the Indenture. For certainty, the Trustee shall not be obligated or liable to ensure that the Issuer is in compliance with the limitations in Section 7.10 of, or any other covenants under, the Indenture, and shall be entitled to rely on an Officers' Certificate from the Issuer certifying such compliance for any Additional 2023 Convertible Notes so issued.

Section 2.4 Date of Issue and Maturity

The 2023 Convertible Notes will be dated June 19, 2020 and the 2023 Convertible Notes will become due and payable, together with all accrued and unpaid interest thereon, on December 19, 2023 (the "**2023 Convertible Notes Maturity Date**").

Section 2.5 Currency

The principal of the 2023 Convertible Notes and interest thereon and all sums that may at any time become payable thereon, whether at 2023 Convertible Notes Maturity Date or otherwise, shall be payable in lawful money of the United States of America as provided herein.

Section 2.6 Interest

(a) The 2023 Convertible Notes will bear interest on the unpaid principal amount thereof at the rate of 5% per annum from their respective Issue Date to, but excluding, the 2023 Convertible Notes Maturity Date, compounded semi-annually and payable in arrears on each Interest Payment Date. The first Interest Payment Date for the initial 2023 Convertible Notes will be December 31, 2020.

(b) Interest will be payable in respect of each Interest Period (after, as well as before, the 2023 Convertible Notes Maturity Date, default and judgment, with interest overdue on principal and interest at a rate that is 1% higher than the applicable rate on the 2023 Convertible Notes) on each Interest Payment Date in accordance with Section 3.11 and Section 3.14 of the Indenture. Interest on the 2023 Convertible Notes will accrue from their respective Issue Date or, if interest has already been paid, from and including the last Interest Payment Date therefor to which interest has been paid or made available for payment. Interest will be computed on the basis of a 365-day or 366-day year, as applicable, and will be payable in equal semi-annual amounts; except that interest in respect of any period that is shorter than a full semi-annual interest period will be computed on the basis of a 365-day or 366- day year, as applicable, and the actual number of days elapsed in that period.

Section 2.7 Permitted Pari-Passu Indebtedness

The 2023 Convertible Notes authorized hereunder shall be deemed Permitted Pari Passu Indebtedness for the purposes of Section 7.10(b)(i) of the Indenture and shall be a direct senior secured obligation of the Issuer secured by a First-Priority Lien in certain Collateral of the Issuer and Guarantors in favour of the Collateral Trustee pursuant to the Security Documents and, for greater certainty, shall be First-Lien Indebtedness of the Issuer ranking equally and rateably with all other First Lien Indebtedness of the Issuer pursuant to Section 2.1 of the Indenture.

Section 2.8 Optional Redemption

(a) On or after June 19, 2023, the Issuer may, on one or more occasions, redeem all or any part of the 2023 Convertible Notes (including any Additional 2023 Convertible Notes) upon not less than 15 days' nor more than 60 days' notice, at a Redemption Price of 100.71% of the principal amount thereof, plus accrued and unpaid interest to the Redemption Date, subject to the rights of Holders on the relevant Record Date to receive interest on the relevant Interest Payment Date, if the trading price of the Common Shares on the Aequitas Neo Exchange, the Canadian Securities Exchange or any other national securities exchange on which the Common Shares may be listed (the "Exchanges") on 20 of the previous 30 consecutive trading days (the last day of which period occurs not more than 5 trading days immediately prior to the date on which the relevant notice of such redemption is sent by the Issuer to the Holders) shall have exceeded 130% of the Conversion Price of the 2023 Convertible Notes.

(b) Except pursuant to Section 2.8(a), the 2023 Convertible Notes will not be redeemable at the Issuer's option.

Section 2.9 Form of 2023 Convertible Notes

(a) The Trustee shall authenticate one or more Global Notes and/or Definitive Notes in the form substantially set out in Schedule "A" hereto (the "**2023 Convertible Notes**

Certificate") with such insertions, deletions, substitutions and variations as may be required or permitted by the terms of the Indenture or as may be required to comply with any law or the rules of the Depository;

(b) the Notes shall bear such distinguishing letters, numbers and legends as the Trustee and the Issuer may approve, including such legend as may be set out in Schedule A hereto, notwithstanding Section 3.3 and Section 3.13 of the Indenture; and

ARTICLE 3
CONVERSION OF NOTES

Section 3.1 Note Conversion.

(a) The 2023 Convertible Notes shall be convertible, at the option of the holder thereof, from the date of issuance of the 2023 Convertible Notes until the date that is 10 days prior to the 2023 Convertible Notes Maturity Date (the "**Conversion Period**") into common shares of the Issuer (the "**Note Shares**") at a conversion price per Note Share equal to C$3.79 payable on the Business Day prior to the date of conversion (the "**Conversion Price**"), adjusted downwards for any cash dividends paid to holders of Common Shares, all subject to the terms and conditions and in the manner set forth herein.

(b) For the purposes of this Section 3.1, a 2023 Convertible Note surrendered for conversion shall be deemed to be surrendered on the earlier of the date received by the Trustee or the 2023 Convertible Notes Maturity Date, provided that the register of the Trustee is open and received all necessary documentation in respect of the conversion; provided that if a 2023 Convertible Note is surrendered for conversion on a day on which the register of Common Shares is closed, the person or persons entitled to receive Common Shares shall become the holder or holders of record of such Common Shares as at the date on which such registers are next reopened.

(c) For the purposes of determining the number of Note Shares issuable upon conversion, the principal amount of a 2023 Convertible Note surrendered for conversion shall be deemed converted from United States dollars into Canadian dollars at the end of day exchange rate published by the Bank of Canada on the date immediately preceding the date on which the Trustee receives, or is deemed in receipt of, the 2023 Convertible Note surrendered for conversion.

(d) Upon the delisting or suspension of trading of the Common Shares from both of the Aequitas Neo Exchange and the Canadian Securities Exchange for a period exceeding 30 consecutive trading days (provided that the Common Shares are not subsequently listed on another nationally recognized exchange), the Issuer is required to make an offer, at the option of each holder, to purchase all of the 2023 Convertible Notes in cash in an amount equal to the then applicable Redemption Price.

(e) A beneficial Holder of uncertificated 2023 Convertible Notes evidenced by a security entitlement in respect of 2023 Convertible Notes in the book entry registration system who desires to convert his or her Notes must do so by causing a participant in the Depository's book entry registration system for the 2023 Convertible Notes (the "**Book Entry Only Participant**") to deliver to the Depository on behalf of the entitlement holder, notice of the owner's intention to convert 2023 Convertible Notes in a manner acceptable to the

Depository. Forthwith upon receipt by the Depository of such notice, the Depository shall deliver to the Trustee confirmation of its intention to convert Notes ("**Confirmation**") in a manner acceptable to the Trustee, including by electronic means through the book entry registration system.

(f) A notice in form acceptable to the Book Entry Only Participant should be provided to the Book Entry Only Participant sufficiently in advance so as to permit the Book Entry Only Participant to deliver notice and payment to the Depository and for the Depository in turn to deliver notice and payment to the Trustee prior to the 2023 Convertible Note Maturity Date. The Depository will initiate the conversion by way of the Confirmation and the Trustee will execute the conversion by issuing to the Depository through the book entry registration system or as a physical certificate the Common Shares to which the exercising Holder is entitled pursuant to the conversion. Any expense associated with the conversion process will be for the account of the entitlement holder converting the 2023 Convertible Notes and the Book Entry Only Participant exercising the 2023 Convertible Note on its behalf.

(g) By causing a Book Entry Only Participant to deliver notice to the Depository, a Holder shall be deemed to have irrevocably surrendered his or her Notes so converted and appointed such Book Entry Only Participant to act as his or her exclusive settlement agent with respect to the conversion and the receipt of Common Shares in connection with the obligations arising from such conversion.

(h) Any notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the conversion to which it relates shall be considered for all purposes not to have been converted thereby. A failure by a Book Entry Only Participant to convert or to give effect to the settlement thereof in accordance with the Holders instructions will not give rise to any obligations or liability on the part of the Issuer or Trustee to the Book Entry Only Participant or the Holder.

(i) Any conversion notice for the 2023 Convertible Notes substantially in the form as set out in Schedule "B" attached hereto (the "**Conversion Notice**") referred to in this Section 3. shall be signed by the persons who are registered owners of Notes as such names appear on the register, and for greater certainty, shall include the Depository as well as the holders of uncertificated 2023 Convertible Notes appearing on the register of the Trustee (the "**Registered Holder**"), or its executors or administrators or other legal representatives or an attorney of the Registered Holder, duly appointed by an instrument in writing satisfactory to the Trustee but such conversion form need not be executed by the Depository.

(j) Any conversion referred to in this Section 3.1 shall require that the original Conversion Notice executed by the Registered Holder or the Confirmation from the Depository must be received by the Trustee prior to the 2023 Convertible Note Maturity Date.

(k) Notwithstanding the foregoing in this Section 3.1, a 2023 Convertible Notes may only be converted pursuant to this Section 3.1 by or on behalf of a Registered Holder, except the Depository or Holder, as applicable, who makes the certifications set forth on the Conversion Notice set out in Schedule "B".

(l) If the form of Conversion Notice set forth in the 2023 Convertible Notes Certificate shall have been amended, the Issuer shall cause the amended Conversion Notice to be forwarded to all Registered Holder.

(m) Conversion Notices and Confirmations must be delivered to the Trustee at any time during the Trustee's actual business hours on any Business Day prior to the 2023 Convertible Notes Maturity Date. Any Conversion Notice or Confirmations received by the Trustee after business hours on any Business Day will be deemed to have been received by the Trustee on the next following Business Day.

(n) Any 2023 Convertible Notes with respect to which a Conversion Notice or a Confirmation is not received by the Trustee prior to the 2023 Convertible Notes Maturity Date shall be deemed to have expired and become void and all rights with respect to such 2023 Convertible Notes shall terminate and be cancelled.

Section 3.2 Conversion by U.S. Persons.

(a) The 2023 Convertible Notes issuable pursuant to this First Supplemental Indenture and the Common Shares issuable on the conversion thereof have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States.

(b) Each 2023 Convertible Notes Certificate originally issued in the United States or to, or for the account or benefit of, a person in the United States or a U.S. Person, and all certificates representing Common Shares issued on the conversion thereof, and all certificates issued in exchange or in substitution thereof or upon transfer thereof, shall bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING THESE SECURITIES, AGREES FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "CORPORATION"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF APPLICABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF APPLICABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO ODYSSEY TRUST COMPANY AND TO THE ISSUER TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

No transfer of 2023 Convertible Notes evidenced by a 2023 Convertible Notes Certificate bearing the legend set forth in Section 3.2(b) above shall be made except in accordance with the requirements of such legend and subject to this First Supplemental Indenture.

Section 3.3 Transfer Fees and Taxes.

If any Common Shares are to be issued to a person or persons other than the Registered Holder, the Registered Holder shall execute the form of transfer and will comply with such reasonable requirements as the Trustee may stipulate and will pay to the Issuer or the Trustee on behalf of the Issuer, all applicable transfer or similar taxes and the Issuer will not be required to issue or deliver certificates evidencing the Common Shares unless or until such Holder shall have paid to the Issuer or the Trustee on behalf of the Issuer, the amount of such tax or shall have established to the satisfaction of the Issuer and the Trustee that such tax has been paid or that no tax is due.

Section 3.4 Note Agency.

To facilitate the exchange, transfer or conversion of 2023 Convertible Notes and compliance with such other terms and conditions hereof as may be required, the Issuer has appointed the principal office of the Trustee in the city of Vancouver (the "**Note Agency**"), as the agency at which 2023 Convertible Notes may be surrendered for exchange or transfer or at which 2023 Convertible Notes may be converted and the Trustee has accepted such appointment. The Issuer may from time to time designate alternate or additional places as the Note Agency (subject to the Trustee's prior approval) and will give notice to the Trustee of any proposed change of the Note Agency. Branch registers shall also be kept at such other place or places, if any, as the Issuer, with the approval of the Trustee, may designate. The Trustee will from time to time when requested to do so by the Issuer or any Registered Holder, upon payment of the Trustee's reasonable charges, furnish a list of the names and addresses of Registered Holder showing the number of 2023 Convertible Notes held by each such Registered Holder.

Section 3.5 Securities Restrictions.

Notwithstanding anything herein contained, Common Shares will be issued upon conversion of a Holder only in compliance with the securities laws of any applicable jurisdiction and, without limiting the generality of the foregoing, the Issuer will legend the certificates representing the Common Shares if, in the opinion of counsel to the Trustee or Issuer, such legend is necessary in order to comply with the securities law of any applicable jurisdiction or the rules of any applicable stock exchange. Notwithstanding any other provisions of this First Supplemental Indenture, in processing and registering transfers of 2023 Convertible Notes, and in processing conversions of 2023 Convertible Notes, no duty or responsibility whatsoever shall rest upon the Trustee to determine the compliance by any transferor or transferee or by a holder converting 2023 Convertible Notes with the terms of any legend affixed on the Holder certificates, or with the relevant securities laws or regulations, including, without limitation, Regulation S under the U.S. Securities Act, and the Trustee shall be entitled to assume that all transfers and conversions of 2023 Convertible Notes are legal and proper.

ARTICLE 4
ADJUSTMENT OF NUMBER OF COMMON SHARES AND CONVERSION PRICE

Section 4.1 Adjustment of Number of Common Shares and Conversion Price.

The conversion rights in effect under the 2023 Convertible Notes for Common Shares issuable upon the conversion of the 2023 Convertible Notes shall be subject to adjustment from time to time as follows:

(a) if, at any time prior to the 2023 Convertible Note Maturity Date, the Issuer shall:

(i) subdivide, re-divide or change its outstanding Common Shares into a greater number of Common Shares;

(ii) reduce, combine or consolidate its outstanding Common Shares into a smaller number of Common Shares; or

(iii) issue Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of distribution (other than a distribution of Common Shares upon the conversion of 2023 Convertible Notes);

the Conversion Price in effect on the effective date of such subdivision, re-division, change, reduction, combination, consolidation or on the record date of such distribution, as the case may be, shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation. Such adjustment shall be made successively whenever any event referred to in this Section 4.1 shall occur. Upon any adjustment of the Conversion Price pursuant to Section 4.1, the Conversion Price shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Conversion Price in effect immediately prior to such adjustment and the denominator shall be the Conversion Price resulting from such adjustment;

(b) if and whenever at any time prior to the 2023 Convertible Notes Maturity Date, the Issuer shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the weighted average of the trading price per Common Share for each day there was a closing price for 20 consecutive trading days ending five Business Days prior to such date on any Exchange (the "**Common Share Current Market Price**") on such record date (a "**Common Share Rights Offering**"), the Conversion Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the

aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Common Share Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable; any Common Shares owned by or held for the account of the Issuer shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that no such rights or warrants are exercised prior to the expiration thereof, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Conversion Price which would then be in effect based upon the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Conversion Price pursuant to this Section 4.1(b), the Conversion Price will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the Conversion Price in effect immediately prior to such adjustment and the denominator shall be the Conversion Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this Section 4.1(b) are fixed within a period of 25 trading days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates;

(c) if and whenever at any time prior to the 2023 Convertible Notes Maturity Date the Issuer shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of (i) securities of any class, whether of the Issuer or any other entity (other than Common Shares), (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities convertible into or exchangeable for Common Shares), other than pursuant to a Common Share Rights Offering; (iii) evidences of its indebtedness or (iv) any property or other assets then, in each such case, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Common Share Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the Issuer (whose determination shall be conclusive), of such securities or other assets so issued or distributed over the fair market value of any consideration received therefor by the Issuer from the holders of the Common Shares, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Common Share Current Market Price; and Common Shares owned by or held for the account of the Issuer shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Conversion Price pursuant to this Section 4.1(c), the Conversion Price will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the Conversion Price in effect immediately prior to such adjustment and the denominator shall be the Conversion Price resulting from such adjustment;

(d) if and whenever at any time prior to the 2023 Convertible Notes Maturity Date, there is a reclassification of the Common Shares or a capital reorganization of the Issuer other than as described in Section 4.1(c) or a consolidation, amalgamation, arrangement or merger of the Issuer with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Issuer as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Registered Holder who has not exercised its right of acquisition prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares that prior to such effective date the Registered Holder would have been entitled to receive, the number of shares or other securities or property of the Issuer or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Registered Holder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Registered Holder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the conversion of the 2023 Convertible Notes. If determined appropriate by the Trustee, relying on advice of counsel to the Trustee or Issuer, to give effect to or to evidence the provisions of this Section 4.1(d), the Issuer, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this First Supplemental Indenture with respect to the rights and interests thereafter of the Registered Holder to the end that the provisions set forth in this First Supplemental Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Registered Holder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Issuer, any successor to the Issuer or such purchasing body corporate, partnership, trust or other entity and the Trustee shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1(d) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances;

(e) in any case in which this Section 4.1(e) shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Issuer may defer, until the occurrence of such event, issuing to the Registered Holder of any 2023 Convertible Note converted after such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Issuer shall deliver to such Registered Holder an appropriate instrument evidencing such Registered Holder’s right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of conversion or such later date as such Registered Holder would, but for the provisions of this Section 4.1(e), have become the holder of record of such additional Common Shares pursuant to Section 4.1;

(f) in any case in which Section 4.1(a)(iii), Section 4.1(b) or Section 4.1(c), require that an adjustment be made to the Conversion Price, no such adjustment shall be made if the Registered Holders of the outstanding 2023 Convertible Notes receive, subject to the approval of the Exchanges if required, the rights or warrants referred to in Section 4.1(a)(iii), Section 4.1(b) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in Section 4.1(c), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding 2023 Convertible Note having then been converted into Common Shares at the Conversion Price in effect on the applicable record date or effective date, as the case may be;

(g) the adjustments provided for in this Section 4.1 are cumulative, and shall, in the case of adjustments to the Conversion Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.1, provided that, notwithstanding any other provision of this Section 4.1, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided, however, that any adjustments which by reason of this Section 4.1(g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and

(h) after any adjustment pursuant to this Section 4.1, the term "Common Shares" where used in this First Supplemental Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Registered Holder is entitled to receive upon the conversion of its 2023 Convertible Notes, and the number of Common Shares indicated by any conversion made pursuant to a 2023 Convertible Note shall be interpreted to mean the number of Common Shares or other property or securities a Registered Holder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full or partial conversion of a 2023 Convertible Note.

Section 4.2 Entitlement to Common Shares on Conversion of 2023 Convertible Notes.

All Common Shares or shares of any class or other securities, which a Registered Holder is at the time in question entitled to receive on the conversion of its 2023 Convertible Note, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this First Supplemental Indenture, be deemed to be Common Shares which such Registered Holder is entitled to acquire pursuant to such 2023 Convertible Note.

Section 4.3 No Adjustment for Certain Transactions.

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the 2023 Convertible Notes if the issue of Common Shares (or Common Shares) is being made pursuant to this First Supplemental Indenture or in connection with (a) any share incentive plan or restricted share plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Issuer; or (b) the satisfaction of existing instruments issued at the date hereof.

Section 4.4 Determination by Auditors.

In the event of any question arising with respect to the adjustments provided for in this Article 4 such question shall be conclusively determined by an independent firm of chartered accountants other than the auditors of the Issuer, who shall have access to all necessary records of the Issuer, and such determination shall be binding upon the Issuer, the Trustee, all holders and all other persons interested therein.

Section 4.5 Proceedings Prior to any Action Requiring Adjustment.

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the 2023 Convertible Notes, including the number of Common Shares which are to be received upon the conversion thereof, the Issuer shall take any action which may, in the opinion of counsel to the Trustee or Issuer, be necessary in order that the Issuer has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Common Shares which the holders of such 2023 Convertible Notes are entitled to receive on the conversion thereof in accordance with the provisions hereof.

Section 4.6 Certificate of Adjustment.

The Issuer shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in this Article 4, deliver a certificate of the Issuer to the Trustee specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of the Issuer's auditors verifying such calculation. The Trustee shall rely, and shall be protected in so doing, upon the certificate of the Issuer or of the Issuer's auditor and any other document filed by the Issuer pursuant to this Article 4 for all purposes.

Section 4.7 Notice of Special Matters.

The Issuer covenants with the Trustee that, so long as any 2023 Convertible Notes remain outstanding, it will give notice to the Trustee and to the Registered Holder of its intention to fix a record date that is prior to the 2023 Convertible Notes Maturity Date for any matter for which an adjustment may be required pursuant to Section 4.1. Such notice shall specify the particulars of such event and the record date for such event, provided that the Issuer shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The notice shall be given in each case not less than 14 days prior to such applicable record date. If notice has been given and the adjustment is not then determinable, the Issuer shall promptly, after the adjustment is determinable, file with the Trustee a computation of the adjustment and give notice to the Registered Holders of such adjustment computation.

Section 4.8 Protection of Trustee.

The Trustee shall not:

(a) at any time be under any duty or responsibility to any Registered Holder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any 2023 Convertible Note; and

(c) incur any liability or be in any way responsible for the consequences of any breach on the part of the Issuer of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Issuer.

Section 4.9 Other Adjustments.

If the Issuer after the date hereof shall take any action affecting the Common Shares (or Common Shares), other than an action described in this Article 4 which, in the opinion of the directors of the Issuer, would have a material adverse effect on the rights of Registered Holders, or the Conversion Price, there shall be an adjustment in such manner, if any, and at such time, by action of the directors, acting reasonably and in good faith, as they may reasonably determine to be equitable to the Registered Holders in such circumstances, provided that no such adjustment will be made unless prior approval of any stock exchange on which the Common Shares are listed for trading, if any, has been obtained.

Section 4.10 Participation by Holder.

No adjustments shall be made pursuant to this Article 4 if the Registered Holder are entitled to participate in any event described in this Article 4 on the same terms, *mutatis mutandis*, as if the Registered Holder had converted their 2023 Convertible Notes prior to, or on the effective date or record date of, such event.

ARTICLE 5
MISCELLANEOUS

Section 5.1 Acceptance of Trust.

The Trustee accepts the trusts in this First Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this First Supplemental Indenture and in accordance with the Indenture.

Section 5.2 Amendment to Indenture

Section 14.5(1) of the Indenture is hereby deleted and replaced with the following “establishing the terms of any series of Notes and the forms and denominations in which they may be issued as provided in Article 3”.

Section 5.3 Confirmation of Indenture.

The Indenture as amended and supplemented by this First Supplemental Indenture is in all respects confirmed and for greater certainty the Issuer acknowledges and confirms that the Security Documents granted by it pursuant to the Indenture secure the due payment of all principal, interest and other amounts outstanding under the 2023 Convertible Notes. Effective Date.

Section 5.4 Effective Date

This First Supplemental Indenture shall take effect upon the date first above written.

Section 5.5 Counterparts.

This First Supplemental Indenture may be executed in one or more counterparts, each of which taken together shall constitute one and the same instrument. Counterparts may be executed either in original or electronic form and the parties hereto adopt any signatures received by electronic means as original signatures of the parties.

Section 5.6 Fax/Email.

The Trustee shall be entitled to treat a facsimile, pdf or e-mail communication or communication by other similar electronic means in a form satisfactory to the Trustee ("**Electronic Methods**") from a person purporting to be (and whom such Trustee, acting reasonably, believes in good faith to be) the authorized representative of the Issuer, as sufficient instructions and authority of the Issuer for the Trustee to act and shall have no duty to verify or confirm that person is so authorized. The Issuer acknowledges that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than Electronic Methods.

Section 5.7 Force Majeure.

The Trustee shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Trustee (including but not limited to any act or provision of any present or future law or regulation or Governmental Authority, any act of God or war, civil unrest, pandemic, local or national disturbance or disaster, any act of terrorism, cyber terrorism, loss or malfunctions of utilities, computer (hardware or software) or communication services or the unavailability of any wire or facsimile or other wire or communication facility).

Section 5.8 Trial by Jury.

The parties hereto hereby waive any right they may have to require a trial by jury of any proceeding commenced in connection herewith.

[Signature Page Follows]

IN WITNESS OF WHICH this First Supplemental Indenture has been duly executed by the Issuer and the Trustee.

Dated as of the date first written above.

COLUMBIA CARE INC.

Per: /s/ Nicholas Vita
Name: Nicholas Vita
Title: Chief Executive Officer

ODYSSEY TRUST COMPANY, as Trustee

Per: /s/ Dan Sander
Name: Dan Sander
Title: VP, Corporate Trust

Per: /s/ Amy Douglas
Name: Amy Douglas
Title: Director, Corporate Trust

SCHEDULE "A"

FORM OF GLOBAL NOTE CERTIFICATE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE **[INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE DISTRIBUTION DATE]**.

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR NOTES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. EVERY NOTE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE SHALL BE A GLOBAL NOTE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO COLUMBIA CARE INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING THESE SECURITIES, AGREES FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "CORPORATION"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF APPLICABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF APPLICABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO ODYSSEY TRUST COMPANY AND TO THE ISSUER TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

CUSIP ●

ISIN ●

No. ● US$●

COLUMBIA CARE INC.

(a corporation formed under the laws of the *Business Corporations Act* (British Columbia))

5.00% Senior Secured 2023 Convertible Note
Due December 19, 2023

COLUMBIA CARE INC. (the "**Issuer**") for value received hereby acknowledges itself indebted and, subject to the provisions of the trust indenture dated as of May 14, 2020 (the "**Master Trust Indenture**"), as supplemented by the first supplemental indenture dated as of June 19, 2020 (the "**First Supplemental Indenture**", and together with the Master Trust Indenture, the "**Indenture**"), between the Issuer and Odyssey Trust Company (the "**Trustee**"), promises to pay to _____ on December 19, 2023 (the "**Maturity Date**") or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture, the principal sum of ● Dollars (US$●) in lawful money of the United States of America on presentation and surrender of this 2023 Convertible Note at the main branch of the Trustee in Vancouver, British Columbia in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof from the date hereof, at the rate of 5.00% per annum (based on a year of 365 days), in like money, in arrears in equal installments on the six month anniversary of the Issue Date and the Maturity Date, and, should the Issuer at any time make default in the payment of any principal, or interest, to pay interest on the amount in default at the same rate, in like money and on the same date.

Interest on this 2023 Convertible Note will be computed on the basis of a 365-day or 366-day year, as applicable, and will be payable in equal semi-annual amounts; provided that for any Interest Period that is shorter than a full semi-annual interest period, interest shall be calculated on the basis of a year of 365 days or 366 days, as applicable, and the actual number of days elapsed in that period.

If the date for payment of any amount of principal, premium or interest is not a Business Day at the place of payment, then payment will be made on the next Business Day and the holder hereof will not be entitled to any further interest on such principal, or to any interest on such interest, premium or other amount so payable, in respect of the period from the date for payment to such next Business Day.

Interest hereon shall be payable by cheque mailed by prepaid ordinary mail or by electronic transfer of funds to the registered holder hereof and, subject to the provisions of this Indenture, the mailing of such cheque or the electronic transfer of such funds shall, to the extent of the sum represented thereby (plus the amount of any Taxes deducted or withheld), satisfy and discharge all liability for interest on this 2023 Convertible Note.

This Note is one of the 5.00% Senior Secured 2023 Convertible Notes (referred to herein as the "**2023 Convertible Notes**") of the Issuer issued under the provisions of the Indenture. The 2023 Convertible Notes authorized for issue immediately are limited to an aggregate principal amount of US$● in lawful money of the United States. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the 2023 Convertible Notes are or are to be issued and held and the rights and remedies of the holders of the 2023 Convertible Notes and of the Issuer and of the Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Note by acceptance hereof assents.

The 2023 Convertible Notes are issuable at a price of US$1,000 per US$1,000 of principal amount and only in denominations of US$1,000 and integral multiples of US$1,000. Upon compliance with the provisions of the Indenture, 2023 Convertible Notes of any denomination may be exchanged for an equal aggregate principal amount of 2023 Convertible Notes in any other authorized denomination or denominations.

Any part, being US$1,000 or an integral multiple thereof, of the principal of this 2023 Convertible Note, provided that the principal amount of this 2023 Convertible Note is in a denomination in excess of US$1,000, is convertible, at the option of the holder hereof, upon surrender of this 2023 Convertible Note at the principal office of the Trustee in Vancouver, British Columbia, at any time prior to the close of business on the date which falls 10 days prior to the Maturity Date, into Common Shares (without adjustment for interest accrued hereon or for dividends or distributions on Common Shares issuable upon conversion) at a conversion price per Common Share equal to C$3.79 payable on the Business Day prior to the date of conversion (the "**Conversion Price**"), adjusted downwards for any cash dividends paid to holders of the common shares of the Issuer (the "**Common Shares**"), all subject to the terms and conditions and in the manner set forth herein.

The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Common Shares will be issued on any conversion and holders will receive a cash payment in satisfaction of any fractional interest.

Upon the occurrence of a Change of Control of the Issuer, the Issuer is required to make an offer, at the option of each Holder, to purchase all of the 2023 Convertible Notes at a cash price equal to 101% principal amount of such 2023 Convertible Notes in accordance with the terms of the Indenture.

The indebtedness evidenced by this 2023 Convertible Note, and by all other 2023 Convertible Notes now or hereafter certified and delivered under the Indenture, is a direct secured obligation of the Issuer.

The principal hereof may become or be declared due and payable before the stated maturity in the events, in the manner, with the effect and at the times provided in the Indenture.

The 2023 Convertible Notes and Common Shares issuable upon conversion hereof have not and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. The 2023 Convertible Notes and the Common Shares may only be offered, sold, pledged or otherwise transferred to (i) the Issuer, or (ii) outside the United States to a person who is not a "U.S. person" (as defined by Regulation S under the U.S. Securities Act) in accordance with an applicable exemption under the U.S. Securities Act and applicable local securities laws and regulations.

The Indenture contains provisions making binding upon all holders of 2023 Convertible Notes outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of 2023 Convertible Notes outstanding, which resolutions or instruments may have the effect of amending the terms of this 2023 Convertible Note or the Indenture.

The Indenture contains provisions disclaiming any personal liability on the part of holders of Common Shares, officers, directors and employees of the Issuer in respect of any obligation or claim arising out of the Indenture or this 2023 Convertible Note.

This 2023 Convertible Note may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal office of the Trustee in the City of Vancouver and in such other place or places and/or by such other registrars (if any) as the Issuer with the approval of the Trustee may designate. No transfer of this 2023 Convertible Note shall be valid unless made on the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee or other registrar may prescribe and upon surrender of this 2023 Convertible Note for cancellation. Thereupon a new 2023 Convertible Note or 2023 Convertible Notes in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This 2023 Convertible Note shall not become obligatory for any purpose until it shall have been certified by the Trustee under the Indenture.

Capitalized words or expressions used in this 2023 Convertible Note shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture.

[Reminder of this page intentionally left blank.]

IN WITNESS WHEREOF COLUMBIA CARE INC. has caused this 2023 Convertible Note to be signed by its authorized representatives as of the __ day of _____, 2020.

COLUMBIA CARE INC.

By: /s/ Nicholas Vita
Nicholas Vita
Chief Executive Officer

This 2023 Convertible Note is one of the 5.00% Senior Secured 2023 Convertible Note due December __, 2023 referred to in the Indenture within mentioned.

ODYSSEY TRUST COMPANY

By: _____
Name:
Title

Date: _____

FORM OF TRANSFER

ODYSSEY TRUST COMPANY FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to _____

_____

_____ (print name and address) the 2023 Convertible Notes represented by this 2023 Convertible Note Certificate and hereby irrevocable constitutes and appoints _____as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Trustee.

DATED this __ day of ____, 20__.

In the case of a 2023 Convertible Note Certificate bearing the restrictive U.S. legend described in Section 3.3(b) of the Indenture, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

☐ *the transfer is being made to the Issuer; or*

☐ *the transfer is being made outside the United States to a person who is not a "U.S. person" (as defined by Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) in accordance with an applicable exemption under the U.S. Securities Act and applicable local securities laws and regulations.*

SPACE FOR GUARANTEES OF SIGNATURES (BELOW)	)	
	)	_____
	)	Signature of Transferor
	)	
_____	)	_____
Guarantor's Signature/Stamp	)	Name of Transferor
	)	

CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "**Medallion Guaranteed**", with the correct prefix covering the face value of the certificate.

- **Canada:** A Signature Guarantee obtained from the Guarantor must affix a stamp bearing the actual words "**Signature Guaranteed**". Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a "**Signature & Authority to Sign Guarantee**" Stamp affixed to the transfer (as opposed to a "**Signature Guarantee**" Stamp) obtained from an authorized officer of a major Canadian Schedule 1 chartered bank.
- **Outside North America:** For holders located outside North America, present the certificates(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

APPENDIX "1"
TO CDS GLOBAL 2023 CONVERTIBLE NOTE

COLUMBIA CARE INC.

5.00% SENIOR SECURED CONVERTIBLE NOTES
DUE DECEMBER 19, 2023

Initial Principal Amount: US$●

Authorization: _____

ADJUSTMENTS

Date	Amount of Increase	Amount of Decrease	New Principal Amount	Authorization

SCHEDULE "B"
FORM OF NOTICE OF CONVERSION

CONVERSION NOTICE

To: COLUMBIA CARE INC.

Note: All capitalized terms used herein have the meaning ascribed thereto in the Indenture mentioned below, unless otherwise indicated.

The undersigned registered holder of 5.00% Secured 2023 Convertible Notes irrevocably elects to convert such 2023 Convertible Notes (or US$● principal amount thereof*) in accordance with the terms of the Indenture referred to in such 2023 Convertible Notes and tenders herewith the 2023 Convertible Notes and directs that the Common Shares of Columbia Care Inc. issuable upon a conversion be issued and delivered to the person indicated below. (If Common Shares are to be issued in the name of a person other than the holder, all requisite transfer taxes must be tendered by the undersigned).

Dated: (Signature of Registered Holder)

* If less than the full principal amount of the 2023 Convertible Notes, indicate in the space provided the principal amount (which must be US$1,000 or integral multiples thereof).

NOTE: If Common Shares are to be issued in the name of a person other than the holder, the signature must be guaranteed by a chartered bank, a trust company or by a member of an acceptable Medallion Guarantee Program. The Guarantor must affix a stamp bearing the actual words: "**SIGNATURE GUARANTEED**".

(Print name in which Common Shares are to be issued, delivered and registered)

Name: _____

Address: _____

_____

City, Province and Postal Code _____

Name of Guarantor: _____

Authorized Signature: _____

COLUMBIA CARE INC.

as the Corporation

and

ODYSSEY TRUST COMPANY

as the Warrant Agent

WARRANT INDENTURE
Providing for the Issue of Warrants

Dated as of July 2, 2020

TABLE OF CONTENTS

WARRANT INDENTURE

THIS WARRANT INDENTURE is dated as of July 2, 2020.

BETWEEN:

COLUMBIA CARE INC., a corporation existing under the laws of the Province of British Columbia (the "**Corporation**"),

- and -

ODYSSEY TRUST COMPANY, a trust company incorporated under the laws of Alberta and registered to carry on business in the Provinces of British Columbia and Alberta (the "**Warrant Agent**")

WHEREAS, the Corporation intends to issue, by way of private placement in one or more tranches, units ("**Units**") of the Corporation, with each Unit being comprised of (i) US$1,000 principal amount of 13.00% notes of the Corporation and (ii) 75 common share purchase warrants (the "**Warrants**");

AND WHEREAS, pursuant to this Indenture, each Warrant shall, subject to adjustment as described herein, entitle the holder thereof to acquire one (1) common share (the "**Common Shares**") of the Corporation upon payment of the Exercise Price (as defined herein) prior to the Expiry Time, upon the terms and conditions herein set forth;

AND WHEREAS, all acts and deeds necessary have been done and performed to make the Warrants, when created and issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture;

AND WHEREAS, the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Warrant Agent.

NOW THEREFORE, in consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby appoints the Warrant Agent as warrant agent to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become the holders of Warrants issued pursuant to this Indenture and the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions.

In this Indenture, including the recitals and schedules hereto, and in all indentures supplemental hereto:

"**Adjustment Period**" means the period from the Effective Date up to and including the Expiry Time;

"**Applicable Legislation**" means any statute of Canada or a province thereof, and the regulations under any such named or other statute, relating to warrant indentures or to the rights, duties and obligations of warrant agents under warrant indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

"**Applicable Securities Legislation**" means applicable securities laws (including rules, regulations, policies and instruments) in each of the applicable provinces and territories of Canada;

"**Auditors**" means Davidson & Company LLP or such other firm of chartered professional accountants duly appointed as auditors of the Corporation, from time to time;

"**Authenticated**" means (a) with respect to the issuance of a Warrant Certificate, one which has been duly signed by the Corporation and authenticated by manual signature of an authorized signatory of the Warrant Agent, and (b) with respect to the issuance of an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant as required by Section 2.7 are entered in the register of holders of Warrants, "**Authenticate**", "**Authenticating**" and "**Authentication**" have the appropriate correlative meanings;

"**beneficial owner**" means a person that has a beneficial interest in a Warrant;

"**Book Entry Only Participants**" or "**Participants**" means institutions that participate directly or indirectly in the Depository's book entry registration system for the Warrants;

"**Book Entry Only Warrants**" means Warrants that are to be held only by or on behalf of the Depository;

"**Business Day**" means any day other than Saturday, Sunday or a statutory or civic holiday, or any other day on which banks are not open for business in the City of Vancouver, Province of British Columbia, and shall be a day on which the NEO or CSE is open for trading;

"**CDS Global Warrants**" means Warrants representing all or a portion of the aggregate number of Warrants issued in the name of the Depository represented by an Uncertificated Warrant, or if requested by the Depository or the Corporation, by a Warrant Certificate;

"**Certificated Warrant**" means a Warrant evidenced by a writing or writings substantially in the form of Schedule "A", attached hereto;

"**Common Shares**" means, subject to Article 4, fully paid and non-assessable common shares in the capital of the Corporation as presently constituted;

"**Confirmation**" has the meaning ascribed thereto in Section 3.2(d) of this Indenture;

"**Corporation**" means Columbia Care Inc. or any successor entity thereto;

"**Counsel**" means a barrister and/or solicitor or a firm of barristers and/or solicitors retained by the Warrant Agent or retained by the Corporation and acceptable to the Warrant Agent, which may or may not be counsel for the Corporation;

"**CSE**" means the Canadian Securities Exchange;

"**Current Market Price**" of the Common Shares at any date means the volume weighted average of the trading price per Common Share for such Common Shares for each day there was a closing price for the twenty (20) consecutive Trading Days ending five (5) days prior to such date on the NEO or CSE or if on such date the Common Shares are not listed on the NEO or CSE, on such stock exchange upon which such Common Shares are listed and as selected by the directors of the Corporation, or, if such Common Shares are not listed on any stock exchange then on such over-the-counter market as may be selected for such purpose by the directors of the Corporation;

"**Depository**" means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Corporation to act as depository in respect of the Warrants;

"**Dividends**" means any dividends paid by the Corporation on its Common Shares;

"**DRS**" means the Direct Registration System maintained by the Warrant Agent, in the case of the Warrants, or the Corporation's transfer agent, in the case the of the Common Shares;

"**DRS Advice**" means the notification produced by the DRS system evidencing ownership of the Warrants or Common Shares, as the case may be;

"**Effective Date**" means the date of this Indenture;

"**Exchange Rate**" means the number of Common Shares subject to the right of purchase under each Warrant which as of the date hereof is one;

"**Exercise Date**" means, in relation to a Warrant, the Business Day on which such Warrant is validly exercised or deemed to be validly exercised in accordance with Article 3 hereof;

"**Exercise Notice**" has the meaning set forth in Section 3.2(a);

"**Exercise Price**" at any time means the price at which a whole Common Share may be purchased by the exercise of a whole Warrant, which is initially CDN$4.53 per Common Share, payable in immediately available funds, subject to adjustment in accordance with the provisions of Section 4.1;

"**Expiry Date**" means the date that is three (3) years after the Issue Date;

"**Expiry Time**" means 5:00 p.m. (Vancouver Time) on the Expiry Date;

"**Extraordinary Resolution**" has the meaning set forth in Section 7.11(a) of this Indenture;

"**Indemnified Parties**" has the meaning ascribed thereto in Section 9.7(e) of this Indenture;

"**Internal Procedures**" means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership), the minimum number of the Warrant Agent's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Warrant Agent, it being understood that neither preparation nor issuance shall constitute part of such procedures for any purpose of this definition;

"**Issue Date**" means the closing date of the applicable tranche of the Offering;

"**NEO**" means the Neo Exchange Inc., or such other Canadian stock exchange on which the Common Shares are listed for trading from time to time;

"**Offering**" has the meaning ascribed thereto in the recitals to this Indenture;

"**Original U.S. Warrantholder**" means a U.S. Warrantholder that is (i) a Qualified Institutional Buyer and the original purchaser of the Warrants and who delivered a properly executed Qualified Institutional Buyer Certificate attached as Annex 2 to Schedule E to the U.S. subscription agreement between each Qualified Institutional Buyer and the Corporation in connection with its purchase of Units pursuant to the Offering, or (ii) a U.S. Accredited Investor and the original purchaser of the Warrants and who delivered a properly executed U.S. Accredited Investor Agreement attached as Exhibit Annex 1 to Schedule E to the U.S. subscription agreement between each U.S. Accredited Investor and the Corporation in connection with its purchase of Units pursuant to the Offering;

"**person**" means an individual, body corporate, partnership, limited liability company, trust, warrant agent, executor, administrator, legal representative or any unincorporated organization;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as such term is defined in Rule 144A under the U.S. Securities Act, that is also a U.S. Accredited Investor;

"**register**" means the one set of records and accounts maintained by the Warrant Agent pursuant to Section 2.9 of this Indenture;

"**Regulation D**" means Regulation D under the U.S. Securities Act;

"**Regulation S**" means Regulation S under the U.S. Securities Act;

"**SEC**" means the U.S. Securities and Exchange Commission;

"**Shareholders**" means holders of Common Shares;

"**successor entity**" has the meaning ascribed thereto in Section 8.2 of this Indenture;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder;

"**this Warrant Indenture**", "**this Indenture**", "**this Agreement**", "**hereto**" "**herein**", "**hereby**", "**hereof**" and similar expressions mean and refer to this Indenture and any indenture, deed or instrument supplemental hereto; and the expressions "**Article**", "**Section**", "**subsection**" and "**paragraph**" followed by a number, letter or both mean and refer to the specified article, section, subsection or paragraph of this Indenture;

"**Trading Day**" means, with respect to the NEO or the CSE, a day on which such exchange is open for the transaction of business or, with respect to another exchange or an over-the-counter market, a day on which such exchange or market is open for the transaction of business;

"**U.S. Accredited Investor**" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Legend**" has the meaning set forth in Section 2.8(a);

"**U.S. Person**" has the meaning set forth in Rule 902(k) of Regulation S;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Warrantholder**" means any (a) Warrantholder that (i) is a U.S. Person, (ii) is in the United States, (iii) received an offer to acquire Warrants while in the United States, or (iv) was in the United States at the time such Warrantholder's buy order was made or such Warrantholder executed or delivered its purchase order for the Warrants or (b) person who acquired Warrants on behalf of, or for the account or benefit of, any U.S. Person or any person in the United States;

"**Uncertificated Warrant**" means any Warrant that is not a Certificated Warrant, including DRS Advices;

"**Units**" has the meaning set forth in the recitals;

"**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

"**Warrant Agency**" means the principal office of the Warrant Agent in the City of Vancouver, British Columbia or such other place as may be designated in accordance with Section 3.5;

"**Warrant Agent**" means Odyssey Trust Company, in its capacity as warrant agent of the Warrants, or its successors from time to time;

"**Warrant Certificate**" means a certificate, substantially in the form set forth in Schedule "A" hereto, to evidence those Warrants that will be evidenced by a certificate;

"**Warrant Shares**" means Common Shares issuable upon exercise of the Warrants;

"**Warrantholders**", or "**holders**" without reference to Warrants means the persons entered in the register hereinafter mentioned as holders of Warrants outstanding at such time;

"**Warrantholders' Request**" means an instrument signed in one or more counterparts by Warrantholders holding in the aggregate not less than 50% of the aggregate number of all Warrants then-unexercised and then-outstanding, requesting the Warrant Agent to take some action or proceeding specified therein;

"**Warrants**" means the Common Share purchase warrants created by and authorized by and issuable under this Indenture, to be issued and countersigned hereunder as a Certificated Warrant and/or Uncertificated Warrant evidenced by a DRS Advice or held through the book entry registration system on a no certificate issued basis, entitling the holder or holders thereof to purchase one (1) Common Share (subject to adjustment as herein provided) per Warrant at the Exercise Price prior to the Expiry Time and, where the context so requires, also means the Warrants issued and Authenticated hereunder, whether by way of Warrant Certificate or Uncertificated Warrant; and

"**written order of the Corporation**", "**written request of the Corporation**", "**written consent of the Corporation**" and "**certificate of the Corporation**" mean, respectively, a written order, request, consent and certificate signed in the name of the Corporation by any two duly authorized signatories of the Corporation and may consist of one or more instruments so executed.

1.2 Gender and Number.

Words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa.

1.3 Headings, Etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Warrants.

1.4 Day not a Business Day.

If any day on or before which any action or notice is required to be taken or given hereunder is not a Business Day, then such action or notice shall be required to be taken or given on or before the requisite time on the next succeeding day that is a Business Day.

1.5 Time of the Essence.

Time shall be of the essence of this Indenture.

1.6 Monetary References.

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed.

1.7 Applicable Law.

This Indenture, the Warrants, the Warrant Certificates (including all documents relating thereto, which by common accord have been and will be drafted in English) shall be construed in accordance with the laws of the Province of British Columbia and the federal laws applicable therein and shall be treated in all respects as British Columbia contracts. Each of the parties hereto, which shall include the Warrantholders, irrevocably attorns to the exclusive jurisdiction of the courts of the Province of British Columbia with respect to all matters arising out of this Indenture and the transactions contemplated herein.

ARTICLE 2
ISSUE OF WARRANTS

2.1 Creation and Issue of Warrants.

An unlimited number of Warrants (subject to adjustment as herein provided) are hereby created and authorized to be issued in accordance with the terms and conditions hereof. By written order

of the Corporation, the Warrant Agent shall issue and deliver Warrant Certificates to Warrantholders, or no certificate for Uncertificated Warrants, and record the name of the Warrantholders on the Warrant register. Registration of interests in Warrants held by the Depository may be evidenced by a position appearing on the register for Warrants of the Warrant Agent for an amount representing the aggregate number of such Warrants outstanding from time to time.

2.2 Terms of Warrants.

(a) Subject to the applicable conditions for exercise set out in Article 3 having been satisfied and subject to adjustment in accordance with Section 4.1, each Warrant shall entitle each holder thereof, upon the exercise thereof at any time after the Issue Date and prior to the Expiry Time, to acquire one (1) Common Share upon payment to the Corporation of the Exercise Price.

(b) No fractional Warrants shall be issued or otherwise provided for hereunder and Warrants may only be exercised in a sufficient number to acquire whole numbers of Common Shares. Any fractional Warrants shall be rounded down to the nearest whole number.

(c) Each Warrant shall entitle the holder thereof to only such other rights and privileges as are set forth in this Indenture.

(d) The number of Common Shares that may be purchased pursuant to the Warrants, and the Exercise Price therefor, shall be adjusted upon the events and in the manner specified in Section 4.1.

2.3 Warrantholder not a Shareholder.

Except as may be specifically provided herein, nothing in this Indenture or in the holding of a Warrant Certificate, entitlement to a Warrant or otherwise, shall, in itself, confer or be construed as conferring upon a Warrantholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Corporation, or the right to Dividends and other allocations.

2.4 Warrants to Rank Pari Passu.

All Warrants shall rank equally and without preference over each other, whatever may be the actual date of issue thereof.

2.5 Form of Warrants, Certificated Warrants.

(a) The Warrants may be issued in both certificated and uncertificated form. Each Warrant issued to, or for the account for benefit of, a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), and each Warrant in exchange or substitution therefor, will be evidenced by a Warrant Certificate that bears the U.S. Legend. All Warrants issued in certificated form shall be evidenced by a Warrant Certificate (including all replacements issued in accordance with this Indenture), substantially in the form set out in Schedule “A” hereto, which shall be dated as of the Issue Date, shall bear such distinguishing

letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions; provided that any Warrant issued to an Original U.S. Warrantholder that is a Qualified Institutional Buyer may be issued in certificated form or uncertificated form, in each case as part of the Warrants issued in the name of the Depository. All Warrants issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Warrantholders to be maintained by the Warrant Agent in accordance with Section 2.9.

(b) Each Warrantholder by purchasing such Warrant acknowledges and agrees that the terms and conditions set forth in the form of the Warrant Certificate set out in Schedule "A" hereto shall apply to all Warrants and Warrantholders regardless of whether such Warrants are issued in certificated or uncertificated form.

2.6 Book Entry Only Warrants.

(a) Registration of beneficial interests in and transfers of Warrants held by the Depository shall be made only through the book entry registration system and no Warrant Certificates shall be issued in respect of such Warrants except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by the Depository, as determined by the Corporation, from time to time. Except as provided in this Section 2.6, owners of beneficial interests in any CDS Global Warrants shall not be entitled to have Warrants registered in their names and shall not receive or be entitled to receive Warrants in definitive form or to have their names appear in the register referred to in Section 2.9 herein.

(b) Notwithstanding any other provision in this Indenture, no CDS Global Warrants may be exchanged in whole or in part for Warrants registered, and no transfer of any CDS Global Warrants in whole or in part may be registered, in the name of any person other than the Depository for such CDS Global Warrants or a nominee thereof unless:

(i) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in connection with the Book Entry Only Warrants and the Corporation is unable to locate a qualified successor;

(ii) the Corporation determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Global Warrants and the Corporation is unable to locate a qualified successor;

(iii) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor;

(iv) the Corporation determines that the Warrants shall no longer be held as Book Entry Only Warrants through the Depository;

(v) such right is required by applicable law, as determined by the Corporation and the Corporation's Counsel;

(vi) the Warrant is to be Authenticated to or for the account or benefit of a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), in which case, the Warrant Certificate shall contain the U.S. Legend set forth in Section 2.8(a), if applicable; or

(vii) such registration is effected in accordance with the internal procedures of the Depository and the Warrant Agent,

following which, Warrants for those holders requesting the same shall be registered and issued to the beneficial owners of such Warrants or their nominees as directed by the Depository. The Corporation shall provide a certificate of the Corporation giving notice to the Warrant Agent of the occurrence of any event outlined in this Section 2.6(b)(i) – (vi).

(c) Subject to the provisions of this Section 2.6, any exchange of CDS Global Warrants for Warrants that are not CDS Global Warrants may be made in whole or in part in accordance with the provisions of Section 2.11, mutatis mutandis. All such Warrants issued in exchange for a CDS Global Warrant or any portion thereof shall be registered in such names as the Depository for such CDS Global Warrants shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Global Warrants) as the CDS Global Warrants or portion thereof surrendered upon such exchange.

(d) Every Warrant that is Authenticated upon registration or transfer of a CDS Global Warrant, or in exchange for or in lieu of a CDS Global Warrant or any portion thereof, whether pursuant to this Section 2.6, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Global Warrant, unless such Warrant is registered in the name of a person other than the Depository for such CDS Global Warrant or a nominee thereof.

(e) Notwithstanding anything to the contrary in this Indenture, subject to applicable law, the CDS Global Warrant will be issued as an Uncertificated Warrant, unless otherwise requested in writing by the Depository or the Corporation.

(f) The rights of beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system shall be limited to those established by applicable law and agreements between the Depository and the Book Entry Only Participants and between such Book Entry Only Participants and the beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system, and such rights must be exercised through a Book Entry Only Participant in accordance with the rules and procedures of the Depository.

(g) Notwithstanding anything herein to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for:

(i) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Warrants or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Warrant represented by an electronic position in the book entry registration system (other than the Depository or its nominee);

(ii) maintaining, supervising or reviewing any records of the Depository or any Book Entry Only Participant relating to any such interest; or

(iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Only Participant.

(h) The Corporation may terminate the application of this Section 2.6 in its sole discretion, in which case all Warrants shall be evidenced by Warrant Certificates registered in the name of a person other than the Depository.

2.7 Warrant Certificate.

(a) For Warrants issued in certificated form, the form of certificate representing Warrants shall be substantially as set out in Schedule "A" hereto or such other form as is authorized from time to time by the Corporation and the Warrant Agent. Each Warrant Certificate shall be Authenticated manually on behalf of the Warrant Agent. Each Warrant Certificate shall be signed by any duly authorized signatory of the Corporation whose signature shall appear on the Warrant Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Corporation as if it had been signed manually. Any Warrant Certificate which has a signature as hereinbefore provided shall be valid notwithstanding that the person whose signature is printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such certificate. The Warrant Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Warrant Agent may determine.

(b) The Warrant Agent shall Authenticate Uncertificated Warrants (whether upon original issuance, exchange, registration of transfer, partial payment, or otherwise) by completing its Internal Procedures, and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Warrants under this Indenture. Such Authentication shall be conclusive evidence that each such Uncertificated Warrant has been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Warrants with respect to which this Indenture requires the Warrant Agent to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Warrants are binding on the Corporation.

(c) Any Warrant Certificate validly issued in accordance with the terms of this Indenture in effect at the time of issue of such Warrant Certificate shall, subject to the terms of this Indenture and applicable law, validly entitle the holder to acquire Common Shares, notwithstanding that the form of such Warrant Certificate may not be in the form currently required by this Indenture.

(d) No Warrant shall be considered issued, valid or obligatory nor shall the holder thereof be entitled to the benefits of this Indenture until the Warrant has been Authenticated by the Warrant Agent. Authentication by the Warrant Agent, including by way of entry on the register, shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or of such Warrant Certificates or Uncertificated Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture, and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or of the consideration thereof. Authentication by the Warrant Agent shall be conclusive evidence as against the Corporation that the Warrants so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.

(e) No Certificated Warrant shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by manual signature by or on behalf of the Warrant Agent substantially in the form of the Warrant Certificate set out in Schedule "A" hereto. Such Authentication on any such Certificated Warrant shall be conclusive evidence that such Certificated Warrant is duly Authenticated and is valid and a binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

(f) No Uncertificated Warrant shall be considered issued and shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Warrant. Such entry on the register of the particulars of an Uncertificated Warrant shall be conclusive evidence that such Uncertificated Warrant is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

(g) The Authentication by the Warrant Agent of any Warrants whether by way of entry on the register or otherwise shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or such Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or the proceeds thereof.

2.8 Legends.

(a) Neither the Warrants nor the Warrant Shares have been, nor will they be, registered under the U.S. Securities Act or under the securities laws of any state of the United States, and may not be offered, sold or otherwise disposed of by a U.S.

Warrantholder unless an exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable state securities laws is available or the Warrants and Warrant Shares, as applicable, are the subject of an effective registration statement under the U.S. Securities Act. Each Warrant Certificate issued to, or for the benefit or account of, a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), and each Warrant Certificate issued in exchange therefor or in substitution thereof shall bear the following legend or such variations thereof as the Corporation may prescribe from time to time (the "**U.S. Legend**"):

"THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "**CORPORATION**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided that, if the Warrants are being sold outside the United States in compliance with Rule 904 of Regulation S and in compliance with applicable local securities laws and regulations, and the Corporation is a "foreign private issuer" (as such term is defined in Regulation S) at the time the Warrants are originally issued, this U.S. Legend may be removed by the transferor providing a declaration to the Warrant Agent and to the Corporation in the form set forth in Schedule "C" or as the Corporation may prescribe from time to time, or such other evidence which may include an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation; provided further, that, if any such

Warrants are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or in another transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the U.S. Legend may be removed by delivery to the Warrant Agent and the Corporation of an opinion of counsel, of recognized standing, reasonably satisfactory to the Corporation, to the effect that such U.S. Legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws.

The Warrant Agent shall be entitled to request any other documents that it may reasonably require in accordance with its internal policies for the removal of the U.S. Legend set forth above.

(b) Each CDS Global Warrant originally issued in Canada and held by the Depository, and each CDS Global Warrant issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Corporation may prescribe from time to time:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO COLUMBIA CARE INC. (THE "**ISSUER**") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN, AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

(c) Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Warrants, no duty or responsibility whatsoever shall rest upon the Warrant Agent to determine the compliance by any transferor or transferee with the terms of the legend contained in subsections 2.8(a) or 2.8(b), or with the relevant securities laws or regulations, including, without limitation, Regulation S, and the Warrant Agent shall be entitled to assume that all transfers that are processed in accordance with this Indenture are legal and proper.

2.9 Register of Warrants.

(a) The Warrant Agent shall maintain records and accounts concerning the Warrants, whether certificated or uncertificated, which shall contain the information called for below with respect to each Warrant, together with such other information as may be required by law or as the Warrant Agent may elect to record. All such

information shall be kept in one set of accounts and records which the Warrant Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Warrants. The information to be entered for each account in the register of Warrants at any time shall include (without limitation):

(i) the name and address of the holder of the Warrants, the date of Authentication thereof and the number of Warrants;

(ii) whether such Warrant is a Certificated Warrant or an Uncertificated Warrant and, if a Warrant Certificate, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Warrant, the unique number or code assigned thereto if any;

(iii) if any portion thereof has been exercised, the date and price of such exercise, and the remaining balance of such Warrants;

(iv) whether such Warrant has been cancelled; and

(v) a register of transfers in which all transfers of Warrants and the date and other particulars of each transfer shall be entered.

The register shall be available for inspection by the Corporation or any Warrantholder during the Warrant Agent's regular business hours on a Business Day and upon payment to the Warrant Agent of its reasonable fees. Any Warrantholder exercising such right of inspection shall first provide an affidavit, in form satisfactory to the Corporation and the Warrant Agent, stating the name and address of the Warrantholder and agreeing not to use the information therein except in connection with an effort to call a meeting of Warrantholders or to influence the voting of Warrantholders at any meeting of Warrantholders.

(b) Once an Uncertificated Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Warrant Agent from the holder as provided herein, except that the Warrant Agent may act unilaterally to make purely administrative changes internal to the Warrant Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably: (i) consented to the foregoing authority of the Warrant Agent to make such minor error corrections; and (ii) agreed to pay to the Warrant Agent, promptly upon written demand, the full amount of all loss and expense (including without limitation reasonable legal fees of the Corporation and the Warrant Agent plus interest, at an appropriate then prevailing rate of interest to the Warrant Agent) sustained by the Corporation or the Warrant Agent as a proximate result of such error if, but only if, and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Warrant Agent; provided, that no person who is a bona fide purchaser shall have any such obligation to the Corporation or to the Warrant Agent.

2.10 Issue in Substitution for Warrant Certificates Lost, etc.

(a) If any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to applicable law, shall issue, and thereupon the Warrant Agent shall certify and deliver, a new Warrant Certificate of like tenor and bearing the same legend, if applicable, as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substituted Warrant Certificate shall be in a form approved by the Warrant Agent, and the Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Warrants issued or to be issued hereunder.

(b) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.10 shall bear the cost of the issue thereof and, in case of loss, destruction or theft, shall, as a condition precedent to the issuance thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Warrant Agent, in their sole discretion, and such applicant shall also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Warrant Agent, in their sole discretion, and shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

2.11 Exchange of Warrant Certificates.

(a) Any one or more Warrant Certificates representing any number of Warrants may, upon compliance with the reasonable requirements of the Warrant Agent (including compliance with applicable securities legislation), be exchanged for one or more other Warrant Certificates representing the same aggregate number of Warrants, and bearing the same legend, if applicable, as represented by the Warrant Certificate or Warrant Certificates so exchanged.

(b) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificate from the holder (or such other instructions, in form satisfactory to the Warrant Agent), tendered for exchange shall be surrendered to the Warrant Agency and cancelled by the Warrant Agent.

(c) Warrant Certificates exchanged for Warrant Certificates that bear the U.S. Legend set forth in Section 2.8(a) shall bear the same U.S. Legend.

2.12 Transfer and Ownership of Warrants.

(a) The Warrants may only be transferred on the register kept by the Warrant Agent at the Warrant Agency by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the

Warrant Agent only upon: (a) in the case of a Warrant Certificate, surrendering to the Warrant Agent at the Warrant Agency the Warrant Certificate representing the Warrants to be transferred together with a duly executed transfer form as set forth in Schedule "A" (together with a declaration for removal of U.S. Legend or opinion of counsel, if required by Section 2.8(a)); (b) in the case of Book Entry Only Warrants, in accordance with procedures prescribed by the Depository under the book entry registration system; (c) in the case of DRS Advices, in accordance with the procedures prescribed by the Warrant Agent; and (d) upon compliance with:

(i) the conditions herein;

(ii) such reasonable requirements as the Warrant Agent may prescribe; and

(iii) all applicable securities legislation and requirements of regulatory authorities;

and, in the case of (a) or (c) above, such transfer shall be duly noted in such register by the Warrant Agent. Upon compliance with such requirements, the Warrant Agent shall issue to the transferee a Warrant Certificate or DRS Advice, as applicable. Transfers within the systems of the Depository are not the responsibility of the Warrant Agent and will not be noted on the register maintained by the Warrant Agent.

(b) If a Warrant Certificate tendered for transfer bears the U.S. Legend set forth in Section 2.8(a), the Warrant Agent shall not register such transfer unless the transferor has provided the Warrant Agent with the Warrant Certificate and: (A) the transfer is made to the Corporation; (B) the transfer is made outside of the United States in a transaction meeting the requirements of Rule 904 of Regulation S, and is in compliance with applicable local laws and regulations, and the transferor delivers to the Warrant Agent and the Corporation a declaration substantially in the form set forth in Schedule "C" to this Warrant Indenture, or in such other form as the Corporation may from time to time prescribe, together with such other evidence of the availability of an exemption or exclusion from registration under the U.S. Securities Act (which may, without limitation, include an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation) as the Corporation may reasonably require; (C) the transfer is made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by (i) Rule 144A thereunder, if available, or (ii) Rule 144 thereunder, if available, and in each case in accordance with any applicable state securities or "blue sky" laws; (D) the transfer is in compliance with another exemption from registration under the U.S. Securities Act and applicable state securities laws; or (E) the transfer is made pursuant to an effective registration statement under the U.S. Securities Act and any applicable state securities laws; provided that, it has prior to any transfer pursuant to Sections 2.12(b)(C)(ii) or 2.12(b)(D) furnished to the Warrant Agent and the Corporation an opinion of counsel or other evidence in form and substance reasonably satisfactory to the Corporation to such effect. In relation to a transfer under (C)(ii) or (D) above, unless the Corporation and the Warrant Agent receive an opinion of counsel, of recognized standing, or other

evidence reasonably satisfactory to the Corporation in form and substance, to the effect that the U.S. Legend set forth in subsection 2.8(a) is no longer required on the Warrant Certificates representing the transferred Warrants, the Warrant Certificates received by the transferee will continue to bear the U.S. Legend set forth in Section 2.8(a).

(c) Subject to the provisions of this Indenture, Applicable Legislation and applicable law, the Warrantholder shall be entitled to the rights and privileges attaching to the Warrants, and the issue of Common Shares by the Corporation upon the exercise of Warrants in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Warrants, and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder.

2.13 Cancellation of Surrendered Warrants.

All Warrant Certificates surrendered pursuant to Article 3 or transferred or exchanged pursuant to Article 2 shall be cancelled by the Warrant Agent, and, upon such circumstances, all such Uncertificated Warrants shall be deemed cancelled and so noted on the register by the Warrant Agent. Upon request by the Corporation, the Warrant Agent shall furnish to the Corporation a cancellation certificate identifying the Warrant Certificates so cancelled, the number of Warrants evidenced thereby, the number of Common Shares, if any, issued pursuant to such Warrants and the details of any Warrant Certificates issued in substitution or exchange for such Warrant Certificates cancelled.

ARTICLE 3
EXERCISE OF WARRANTS

3.1 Right of Exercise.

Subject to the provisions hereof, each Warrantholder may exercise the right conferred on such holder to subscribe for and purchase one (1) Common Share for each Warrant after the Issue Date and prior to the Expiry Time, subject to adjustment, and in accordance with the conditions herein; provided, however, that such exercise must be permitted under the U.S. Securities Act and under any applicable United States state securities laws.

3.2 Warrant Exercise.

(a) Holders of Certificated Warrants who wish to exercise the Warrants held by them in order to acquire Common Shares must, if permitted pursuant to the terms and conditions hereunder and as set forth in any applicable legend, complete the exercise form (the "**Exercise Notice**") attached to the Warrant Certificate(s) which form is attached hereto as Schedule "B", which may be amended by the Corporation with the consent of the Warrant Agent, if such amendment does not, in the reasonable opinion of the Corporation and the Warrant Agent, which may be based on the advice of Counsel, materially and adversely affect the rights, entitlements and interests of the Warrantholders, and deliver such certificate(s), the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant

Agent at the Warrant Agency. The Warrants represented by a Warrant Certificate shall be deemed to be surrendered upon personal delivery of such certificate, Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

(b) In addition to completing the Exercise Notice attached to the Warrant Certificate(s), a Warrantholder (other than an Original U.S. Warrantholder) who is (i) in the United States, (ii) a U.S. Person, (iii) a person exercising such Warrants for the account or benefit of a U.S. Person or a person in the United States, (iv) executing or delivering the Exercise Notice attached as Schedule "B" hereto in the United States, or (v) requesting delivery in the United States of the Warrant Shares, must provide an opinion of counsel of recognized standing or other evidence, in form and substance reasonably satisfactory to the Corporation, that the exercise is exempt from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States.

(c) A Warrantholder evidenced by a security entitlement in respect of Warrants must complete the Exercise Notice and deliver the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency. The Uncertificated Warrants shall be deemed to be surrendered upon receipt of the Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

(d) A beneficial owner of Warrants issued in uncertificated form evidenced by a security entitlement in respect of Warrants in the book entry registration system who desires to exercise his or her Warrants must do so by causing a Book Entry Only Participant to deliver to the Depository on behalf of the entitlement holder, notice of the owner's intention to exercise Warrants in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, as well as payment for the aggregate Exercise Price, the Depository shall deliver to the Warrant Agent confirmation of its intention to exercise Warrants (a "**Confirmation**") in a manner acceptable to the Warrant Agent, including by electronic means through a book based registration system, including CDSX. An electronic exercise of the Warrants initiated by the Book Entry Only Participant through a book based registration system, including CDSX, shall constitute a representation to both the Corporation and the Warrant Agent that the beneficial owner at the time of exercise of such Warrants either: (i) (A) is not in the United States; (B) is not a U.S. Person and is not exercising such Warrants on behalf of a U.S. Person or a person in the United States; (C) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of a U.S. Person or a person in the United States; (D) did not receive an offer to exercise the Warrant in the United States; (E) did not execute or deliver the notice of the owner's intention to exercise such Warrants in the United States; and (F) has, in all other respects, complied with the terms of Regulation S in connection with such exercise; or (ii) is an Original U.S. Warrantholder that is a Qualified Institutional Buyer.

If the Book Entry Only Participant is not able to make or deliver either the representations in Section 3.2(d) or the representations in Section 3.2(b) by initiating the electronic exercise of the Warrants, then (a) such Warrants shall be withdrawn from the book based registration system, including CDSX, by the Book Entry Only Participant; (b) an individually registered Warrant Certificate shall be issued by the Warrant Agent to such beneficial owner or Book Entry Only Participant and (c) the exercise procedures set forth in Section 3.2(a) shall be followed.

(e) Payment representing the aggregate Exercise Price must be provided to the appropriate office of the Book Entry Only Participant in a manner acceptable to it. A notice in form acceptable to the Book Entry Only Participant and payment from such beneficial holder should be provided to the Book Entry Only Participant sufficiently in advance so as to permit the Book Entry Only Participant to deliver notice and payment to the Depository and for the Depository in turn to deliver notice and payment to the Warrant Agent prior to Expiry Time. The Depository will initiate the exercise by way of the Confirmation and forward the aggregate Exercise Price electronically to the Warrant Agent for prompt onward payment by the Warrant Agent to the Corporation which the Warrant Agent will promptly pay to the Corporation, and the Warrant Agent will execute the exercise by issuing to the Depository through the book entry registration system the Common Shares to which the exercising beneficial owner is entitled pursuant to the exercise. Any expense associated with the exercise process will be for the account of the entitlement holder exercising the Warrants and/or the Book Entry Only Participant exercising the Warrants on its behalf.

(f) By causing a Book Entry Only Participant to deliver notice to the Depository, a beneficial owner shall be deemed to have irrevocably surrendered his or her Warrants so exercised and appointed such Book Entry Only Participant to act as his or her exclusive settlement agent with respect to the exercise of the Warrants and the receipt of Common Shares in connection with the obligations arising from such exercise.

(g) Any notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect, and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Book Entry Only Participant to exercise or to give effect to the settlement thereof in accordance with the beneficial owner's instructions will not give rise to any obligations or liability on the part of the Corporation or Warrant Agent to the Book Entry Only Participant or the beneficial owner.

(h) Any exercise form or Exercise Notice referred to in this Section 3.2 shall be signed by the Warrantholder, or its executors or administrators or other legal representatives or an attorney of the Warrantholder, duly appointed by an instrument in writing satisfactory to the Warrant Agent, but such exercise form need not be executed by the Depository.

(i) Any exercise referred to in this Section 3.2 shall require that the entire Exercise Price for Common Shares subscribed must be paid at the time of subscription, and such Exercise Price and original Exercise Notice executed by the Warrantholder or the Confirmation from the Depository must be received by the Warrant Agent prior to the Expiry Time.

(j) Notwithstanding the foregoing in this Section 3.2, Warrants may only be exercised pursuant to this Section 3.2 by or on behalf of a Warrantholder, as applicable, who makes the certifications set forth on the Exercise Notice set out in Schedule "B" or as provided herein.

(k) If the form of Exercise Notice set forth in the Warrant Certificate shall have been amended, the Corporation shall cause the amended Exercise Notice to be forwarded to all Warrantholders.

(l) Exercise Notices and Confirmations must be delivered to the Warrant Agent at any time during the Warrant Agent's actual business hours on any Business Day prior to the Expiry Time. Any Exercise Notice or Confirmations received by the Warrant Agent after business hours on any Business Day other than the Expiry Date will be deemed to have been received by the Warrant Agent on the next following Business Day.

(m) Any Warrant with respect to which an Exercise Notice or Confirmation is not received by the Warrant Agent before the Expiry Time shall be deemed to have expired and become void and all rights with respect to such Warrants shall terminate and be cancelled.

3.3 U.S. Restrictions.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Warrants may not be exercised within the United States by or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States unless an exemption from such registration requirements is available.

(a) Warrants may not be exercised except in compliance with the requirements set forth herein, in the Warrant Certificate hereto and in the Exercise Notice attached thereto.

(b) Warrant Shares issued upon the exercise of any Certificated Warrant (and each certificate issued in exchange therefor or in substitution thereof) (i) which bears the U.S. Legend set forth in Section 2.8(a), or (ii) other than pursuant to Box A of the Exercise Notice attached as Schedule "B" hereto shall be issued in certificated form and, upon such issuance, shall bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE

INC. (THE "**CORPORATION**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided that, if any such Warrant Shares are being sold outside the United States in compliance with Rule 904 of Regulation S and in compliance with applicable local securities laws and regulations, the legend set forth above may be removed by providing a declaration to the Corporation's registrar and transfer agent and to the Corporation in the form set forth in Schedule "C" or as the Corporation may prescribe from time to time, or such other evidence which may include an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation; provided further, that, if any such Warrant Shares are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or in another transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the legend may be removed by delivery to the registrar and transfer agent of the Corporation and to the Corporation of an opinion of counsel, of recognized standing, reasonably satisfactory to the Corporation, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws.

(c) Notwithstanding anything to the contrary contained herein or in any Warrant or other agreement or instrument, the Corporation shall be entitled to cause a U.S. restrictive legend to be affixed to, or marked with respect to, any Warrant Shares issued upon exercise of Warrants at such time as the Corporation is not a "foreign issuer" (as defined in Regulation S) in the event that the Corporation determines that such affixing or marking of a U.S. restrictive legend is then necessary to comply with U.S. securities laws.

3.4 Transfer Fees and Taxes.

If any of the Common Shares subscribed for are to be issued to a person or persons other than the Warrantholder, the Warrantholder shall execute the form of transfer and will comply with such reasonable requirements as the Warrant Agent may stipulate and will pay to the Corporation or the Warrant Agent on behalf of the Corporation, all applicable transfer or similar taxes, and the Corporation will not be required to issue or deliver certificates evidencing Common Shares unless or until such Warrantholder shall have paid to the Corporation, or the Warrant Agent on behalf of the Corporation, the amount of such tax or shall have established to the satisfaction of the Corporation and the Warrant Agent that such tax has been paid or that no tax is due.

3.5 Warrant Agency.

To facilitate the exchange, transfer or exercise of Warrants and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the Warrant Agency, as the agency at which Warrants may be surrendered for exchange or transfer or at which Warrants may be exercised, and the Warrant Agent has accepted such appointment. The Corporation may, from time to time, designate alternate or additional places as the Warrant Agency (subject to the Warrant Agent's prior approval) and will give notice to the Warrant Agent of any proposed change of the Warrant Agency. Branch registers shall also be kept at such other place or places, if any, as the Corporation, with the approval of the Warrant Agent, may designate. The Warrant Agent will, from time to time, when requested to do so by the Corporation or any Warrantholder and upon payment of the Warrant Agent's reasonable charges, furnish a list of the names and addresses of Warrantholders showing the number of Warrants held by each such Warrantholder.

3.6 Effect of Exercise of Warrant Certificates.

(a) Upon the exercise of Warrants pursuant to and in compliance with Section 3.2 and subject to Section 3.3 and Section 3.4, the Common Shares to be issued pursuant to the Warrants exercised shall be deemed to have been issued, and the person or persons to whom such Common Shares are to be issued shall be deemed to have become the holder or holders of such Common Shares on the Exercise Date unless the register shall be closed on such date, in which case the Common Shares subscribed for shall be deemed to have been issued and such person or persons deemed to have become the holder or holders of record of such Common Shares, on the date on which such register is reopened. It is hereby understood that, in order for persons to whom Common Shares are to be issued, to become holders of Common Shares of record on the Exercise Date, beneficial holders must commence the exercise process sufficiently in advance so that the Warrant Agent is in receipt of all items of exercise at least one Business Day prior to such Exercise Date.

(b) As soon as practicable, and in any event no later than within five Business Days after the Exercise Date with respect to a Warrant, the Warrant Agent shall cause to be delivered or mailed to the person or persons in whose name or names the Warrant is registered or, if so specified in writing by the holder, cause to be delivered to such person or persons at the Warrant Agency where the Warrant Certificate was surrendered, a certificate or certificates for the appropriate number of Common Shares subscribed for, or any other appropriate evidence of the issuance of Common Shares to such person or persons in respect of Common Shares issued under the book entry registration system.

3.7 Partial Exercise of Warrants; Fractions.

(a) The holder of any Warrants may exercise his right to acquire a number of whole Common Shares less than the aggregate number that the holder is entitled to acquire. In the event of any exercise of a number of Warrants less than the number that the holder is entitled to exercise, the holder of Warrants upon such exercise shall, in addition, be entitled to receive, without charge therefor, one or more new Warrant Certificates, bearing the same legend, if applicable, or other appropriate evidence of Warrants, in respect of the balance of the Warrants held by such holder and which were not then exercised.

(b) Notwithstanding anything herein contained including any adjustment provided for in Section 4.1, no fractional Common Shares will be issuable upon any exercise of any Warrant, and the holder of such Warrant will not be entitled to any cash payment or compensation in lieu of a fractional Common Share. Warrants may only be exercised in a sufficient number to acquire whole numbers of Common Shares. Any fractional Common Shares shall be rounded down to the nearest whole number.

3.8 Expiration of Warrants.

Immediately after the Expiry Time, all rights under any Warrant in respect of which the right of acquisition provided for herein shall not have been exercised shall cease and terminate, and each Warrant shall be void and of no further force or effect.

3.9 Accounting and Recording.

(a) The Warrant Agent shall promptly account to the Corporation with respect to Warrants exercised, and shall promptly forward to the Corporation (or into an account or accounts of the Corporation with the bank or trust company designated by the Corporation for that purpose), all monies received by the Warrant Agent on the subscription of Common Shares through the exercise of Warrants. All such monies and any securities or other instruments, from time to time received by the Warrant Agent, shall be received as agent for, and shall be segregated and kept apart by the Warrant Agent, the Warrantholders and the Corporation as their interests may appear.

(b) The Warrant Agent shall record the particulars of Warrants exercised, which particulars shall include the names and addresses of the persons who become holders of Common Shares on exercise and the Exercise Date, in respect thereof. The Warrant Agent shall provide such particulars in writing to the Corporation and to its registrar and transfer agent for its Common Shares within five Business Days of any request by the Corporation therefor.

3.10 Securities Restrictions.

Notwithstanding anything herein contained, Common Shares will be issued upon exercise of a Warrant only in compliance with the securities laws of any applicable jurisdiction.

ARTICLE 4
ADJUSTMENT OF NUMBER OF COMMON SHARES AND EXERCISE PRICE

4.1 Adjustment of Number of Common Shares and Exercise Price.

The subscription rights in effect under the Warrants for Common Shares issuable upon the exercise of the Warrants shall be subject to adjustment, from time to time, as follows:

(a) if, at any time during the Adjustment Period, the Corporation shall:

(i) subdivide, re-divide or change its outstanding Common Shares into a greater number of Common Shares;

(ii) reduce, combine or consolidate its outstanding Common Shares into a lesser number of Common Shares; or

(iii) issue Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Warrants or any outstanding options);

(any of such events in Section 4.1(a)(i), (ii) or (iii) being called a "**Common Share Reorganization**"), then the Exercise Price shall be adjusted as of the effective date or record date of such subdivision, re-division, change, reduction, combination, consolidation or distribution, as the case may be, shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the effective date or record date after giving effect to such Common Shares Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Share that would have been outstanding had such securities been exchanged for or converted into Common Shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in this Section 4.1(a) shall occur. Upon any adjustment of the Exercise Price pursuant to Section 4.1(a), the Exchange Rate shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(b) if and whenever, at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the Current Market Price on such record date (a "**Rights Offering**"), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable; any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(b), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that, if two or more such record dates or record dates referred to in this Section 4.1(b) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates;

(c) if and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of: (i) securities of any class, whether of the Corporation or any other person (other than Common Shares); (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities

convertible into or exchangeable for Common Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness; or (iv) any other property or other assets, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the Corporation (whose determination shall be conclusive), subject to any required stock exchange approval, of such securities or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Common Shares, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price; and Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(c), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(d) if and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 4.1(a) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership, limited liability company or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership, limited liability company or other entity, any Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Common Shares that prior to such effective date the Warrantholder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership, limited liability company or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Warrantholder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Warrantholder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Warrant

Agent, relying on advice of Counsel, to give effect to or to evidence the provisions of this Section 4.1(d), the Corporation, its successor, or such purchasing body corporate, partnership, limited liability company, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Warrantholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Warrant Agent pursuant to the provisions of this Section 4.1(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 8 hereof. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, limited liability company, trust or other entity and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1 and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances;

(e) in any case in which this Section 4.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Warrantholder of any Warrant exercised after the record date and prior to completion of such event the additional Common Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such Warrantholder an appropriate instrument evidencing such Warrantholder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of exercise or such later date as such Warrantholder would, but for the provisions of this Section 4.1(e), have become the holder of record of such additional Common Shares pursuant to Section 4.1;

(f) in any case in which Section 4.1(a)(iii), Section 4.1(b) or Section 4.1(c) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Warrantholders of the outstanding Warrants receive, subject to any required stock exchange or regulatory approval, the rights or warrants referred to in Section 4.1(a)(iii), Section 4.1(b) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in Section 4.1(c), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrant having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be;

(g) the adjustments provided for in this Section 4.1 are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.1, provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect and no change in the number of Common Shares issuable upon exercise of the Warrants shall be required unless such adjustment would require adjustment by at least one one-hundredth of a Common Share, as applicable; provided, however, that any adjustments that, by reason of this Section 4.1(g), are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and

(h) after any adjustment pursuant to this Section 4.1, the term "**Common Shares**" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Warrantholder is entitled to receive upon the exercise of his Warrant, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or securities a Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full exercise of a Warrant.

4.2 Entitlement to Common Shares on Exercise of Warrant.

All Common Shares or shares of any class or other securities, which a Warrantholder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be Common Shares that such Warrantholder is entitled to acquire pursuant to such Warrant.

4.3 No Adjustment for Certain Transactions.

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Indenture or in connection with: (a) any share incentive plan or restricted share plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; (b) the satisfaction of existing instruments issued at the date hereof; or (c) payment of Dividends in the ordinary course.

4.4 Determination by Independent Firm.

In the event of any question arising with respect to the adjustments provided for in this Article 4, such question shall be conclusively determined by an independent firm of chartered professional accountants (other than the Auditors), who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Warrant Agent, all holders and all other persons interested therein.

4.5 Proceedings Prior to any Action Requiring Adjustment.

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of Counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Common Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

4.6 Certificate of Adjustment.

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 4.1, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of the Corporation's Auditors verifying such calculation. The Warrant Agent shall rely, and shall be protected in so doing, upon the certificate of the Corporation or of the Corporation's Auditor and any other document filed by the Corporation pursuant to this Article 4 for all purposes.

4.7 Notice of Special Matters.

The Corporation covenants with the Warrant Agent that, so long as any Warrant remains outstanding, it will give notice to the Warrant Agent and to the Warrantholders of its intention to fix a record date that is prior to the Expiry Date for any matter for which an adjustment may be required pursuant to Section 4.1. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The Corporation shall use its reasonable commercial efforts to give such notice not less than 14 days prior to such applicable record date. If notice has been given and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable, file with the Warrant Agent a computation of the adjustment and give notice to the Warrantholders of such adjustment computation.

4.8 No Action after Notice.

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which would deprive the Warrantholder of the opportunity to exercise its right of acquisition pursuant thereto during the period of 14 days after the giving of the certificate or notices set forth in Section 4.6 and Section 4.7.

4.9 Other Action.

If the Corporation, after the date hereof, shall take any action affecting the Common Shares (other than action described in Section 4.1), which in the reasonable opinion of the directors of the Corporation, would materially affect the rights of Warrantholders, the Exercise Price and/or the Exchange Rate, the number of Common Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting

reasonably and in good faith, in their sole discretion, as they may determine to be equitable to the Warrantholders in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Common Shares are listed for trading has been obtained.

4.10 Protection of Warrant Agent.

The Warrant Agent shall not:

(a) at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any other securities or property which may, at any time, be issued or delivered upon the exercise of the rights attaching to any Warrant;

(c) be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates for the same upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article; and

(d) incur any liability or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Corporation.

4.11 Participation by Warrantholder.

No adjustments shall be made pursuant to this Article 4 if the Warrantholders are entitled to participate in any event described in this Article 4 on the same terms, mutatis mutandis, as if the Warrantholders had exercised their Warrants prior to, or on the effective date or record date of, such event.

ARTICLE 5
RIGHTS OF THE CORPORATION AND COVENANTS

5.1 Optional Purchases by the Corporation.

Subject to compliance with applicable securities legislation and approval of applicable regulatory authorities, if any, the Corporation may, from time to time purchase, by private contract or otherwise any of the Warrants with the consent of the holders of such Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors, such Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. In the case of Certificated Warrants, Warrant Certificates representing the Warrants purchased pursuant to this Section 5.1 shall forthwith be delivered to and cancelled by the Warrant Agent and reflected accordingly on the register of Warrants. In the case of Uncertificated Warrants, the Warrants purchased pursuant to this Section 5.1 shall be reflected accordingly on the register of

Warrants and in accordance with procedures prescribed by the Depository under the book entry registration system or, with respect to Uncertificated Warrants represented by a DRS Advice, reflected on the register of Warrants and in accordance with the procedures of the Warrant Agent for its DRS. No Warrants shall be issued in replacement thereof.

5.2 General Covenants.

The Corporation covenants with the Warrant Agent that, so long as any Warrants remain outstanding:

(a) it will reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Warrants;

(b) it will cause the Common Shares from time to time acquired pursuant to the exercise of the Warrants to be duly issued and delivered in accordance with the Warrants and the terms hereof;

(c) all Common Shares which shall be issued upon exercise of the right to acquire provided for herein shall be fully paid and non-assessable;

(d) it will use reasonable commercial efforts to maintain its existence and carry on its business in the ordinary course;

(e) it will use reasonable commercial efforts to ensure that all Common Shares outstanding or issuable from time to time (including without limitation the Common Shares issuable on the exercise of the Warrants) continue to be or are listed and posted for trading on the NEO or CSE (or such other stock exchange acceptable to the Corporation), provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the NEO or CSE, so long as the holders of Common Shares receive securities of an entity that is listed on a stock exchange in Canada or the United States, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the NEO, CSE or other stock exchange on which the Common Shares are trading;

(f) it will make all requisite filings under applicable Canadian securities legislation including those necessary to remain a reporting issuer not in default in each of the provinces and other Canadian jurisdictions where it is or becomes a reporting issuer for a period of 24 months after the Effective Date, provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the NEO or CSE (or such other Canadian stock exchange acceptable to the Corporation), so long as the holders of Common Shares receive securities of an entity that is listed on a stock exchange in Canada or the United States, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the NEO, CSE or other Canadian stock exchange on which the Common Shares are trading;

(g) the Corporation will promptly notify the Warrant Agent and the Warrantholders in writing of any default under the terms of this Warrant Indenture which remains unrectified for more than ten days following its occurrence;

(h) the Corporation will generally perform and carry out all of the acts or things to be done by it as provided in this Warrant Indenture.

5.3 Warrant Agent's Remuneration and Expenses.

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of the duties hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Warrant Agent against unpaid invoices and shall be payable upon demand. This Section shall survive the resignation or removal of the Warrant Agent and/or the termination of this Indenture.

5.4 Performance of Covenants by Warrant Agent.

If the Corporation fails to perform any of its covenants contained in this Indenture, the Warrant Agent may notify the Warrantholders of such failure on the part of the Corporation and may itself perform any of the covenants capable of being performed by it but, subject to Section 9.2, shall be under no obligation to perform said covenants or to notify the Warrantholders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 5.3. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

5.5 Enforceability of Warrants.

The Corporation covenants and agrees that it is duly authorized to create and issue the Warrants to be issued hereunder and that the Warrants, when issued and Authenticated as herein provided, will be valid and enforceable against the Corporation in accordance with the provisions hereof and the terms hereof and that, subject to the provisions of this Indenture, the Corporation will cause the Common Shares from time to time acquired upon exercise of Warrants issued under this Indenture to be duly issued and delivered in accordance with the terms of this Indenture.

ARTICLE 6
ENFORCEMENT

6.1 Suits by Warrantholders.

All or any of the rights conferred upon any Warrantholder by any of the terms of this Indenture may be enforced by the Warrantholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Warrantholders.

6.2 Suits by the Corporation.

The Corporation shall have the right to enforce full payment of the Exercise Price of all Common Shares issued by the Warrant Agent to a Warrantholder hereunder and shall be entitled to demand such payment from the Warrantholder or alternatively to instruct the Warrant Agent to cancel the share certificates and amend the securities register accordingly.

6.3 Immunity of Shareholders, etc.

The Warrant Agent and the Warrantholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, trustee, director, officer, employee or agent of the Corporation or any successor entity on any covenant, agreement, representation or warranty by the Corporation herein.

6.4 Waiver of Default.

Upon the happening of any default hereunder:

(a) the holders of not less than 51% of the Warrants then outstanding shall have power (in addition to the powers exercisable by Extraordinary Resolution) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or

(b) the Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, on the advice of Counsel, if, in the Warrant Agent's opinion, based on the advice of Counsel, the same shall have been cured or adequate provision made therefor;

provided that no delay or omission of the Warrant Agent or of the Warrantholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or of the Warrantholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

ARTICLE 7
MEETINGS OF WARRANTHOLDERS

7.1 Right to Convene Meetings.

The Warrant Agent may, at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Warrantholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Warrantholders signing such Warrantholders' Request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Warrantholders. If the Warrant Agent fails to so call a meeting within seven days after receipt of such written request of the Corporation or such Warrantholders' Request and the indemnity and funding given as aforesaid, the Corporation or such Warrantholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Vancouver, British Columbia or at such other place as may be mutually approved or determined by the Warrant Agent and the Corporation.

7.2 Notice.

At least 21 days' prior written notice of any meeting of Warrantholders shall be given to the Warrantholders in the manner provided for in Section 10.2 and a copy of such notice shall be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Warrantholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Section 7.2.

7.3 Chairman.

An individual (who need not be a Warrantholder) designated in writing by the Warrant Agent and the Corporation shall be chairman of the meeting and, if no individual is so designated, or if the individual so designated is not present within fifteen minutes from the time fixed for the holding of the meeting, the Warrantholders present in person or by proxy shall choose an individual present to be chairman.

7.4 Quorum.

Subject to the provisions of Section 7.11, at any meeting of the Warrantholders a quorum shall consist of Warrantholder(s) present in person or by proxy holding at least 10% of the aggregate of all the then outstanding Warrants. If a quorum of the Warrantholders shall not be present within thirty minutes from the time fixed for holding any meeting, the meeting, if summoned by Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the

Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not hold at least 10% of all the then outstanding Warrants.

7.5 Power to Adjourn.

The chairman of any meeting at which a quorum of the Warrantholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

7.6 Show of Hands.

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands, except that votes on an Extraordinary Resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

7.7 Poll and Voting.

(a) On every Extraordinary Resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Warrantholders acting in person or by proxy and holding in the aggregate at least 5% of all the Warrants then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by Extraordinary Resolution shall be decided by a majority of the votes cast on the poll.

(b) On a show of hands, every person who is present and entitled to vote, whether as a Warrantholder or as proxy for one or more absent Warrantholders, or both, shall have one vote. On a poll, each Warrantholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Warrant then held or represented by it. A proxy need not be a Warrantholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants, if any, held or represented by him.

7.8 Regulations.

(a) The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make and from time to time vary such regulations as it shall think fit for the setting of the record date for a meeting for the purpose of determining Warrantholders entitled to receive notice of and to vote at the meeting.

(b) Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Warrantholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), shall be Warrantholders or proxies of Warrantholders.

7.9 Corporation and Warrant Agent May be Represented.

The Corporation and the Warrant Agent, by their respective directors, officers, agents, and employees and the Counsel for the Corporation and for the Warrant Agent may attend any meeting of the Warrantholders.

7.10 Powers Exercisable by Extraordinary Resolution.

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Warrantholders at a meeting shall, subject to the provisions of Section 7.11, have the power exercisable from time to time by Extraordinary Resolution:

(a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Warrantholders or the Warrant Agent in its capacity as warrant agent hereunder (subject to the Warrant Agent's prior consent, acting reasonably) or on behalf of the Warrantholders against the Corporation whether such rights arise under this Indenture or otherwise;

(b) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Warrantholders;

(c) to direct or to authorize the Warrant Agent, subject to Section 9.2(b) hereof, to enforce any of the covenants on the part of the Corporation contained in this Indenture or to enforce any of the rights of the Warrantholders in any manner specified in such Extraordinary Resolution or to refrain from enforcing any such covenant or right;

(d) to waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture either unconditionally or upon any conditions specified in such Extraordinary Resolution;

(e) to restrain any Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or to enforce any of the rights of the Warrantholders;

(f) to direct any Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Warrantholder in connection therewith;

(g) to assent to any change in or omission from the provisions contained in this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;

(h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Warrant Agent or its successor in office and to appoint a new warrant agent or warrant agents to take the place of the Warrant Agent so removed; and

(i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

7.11 Meaning of Extraordinary Resolution.

(a) The expression "Extraordinary Resolution" when used in this Indenture means, subject as hereinafter provided in this Section 7.11 and in Section 7.14, a resolution: (i) proposed at a meeting of Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Warrantholders holding at least 10% of the aggregate number of then outstanding Warrants and passed by the affirmative votes of Warrantholders holding not less than 66 2/3% of the aggregate number of then outstanding Warrants at the meeting and voted on the poll upon such resolution; or (ii) in writing signed by the holders of at least 66 2/3% of the then outstanding Warrants on any matter that would otherwise be voted upon at a meeting called to approve such resolution as contemplated in Section 7.11(a)(i).

(b) If, at the meeting at which an Extraordinary Resolution is to be considered, Warrantholders holding at least 10% of the aggregate number of then outstanding Warrants are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Warrantholders or on a Warrantholders' Request, shall be dissolved, but, in any other case, it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 14 days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice shall state that at the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 7.11(a) shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that Warrantholders holding at least 10% of the aggregate number of then outstanding Warrants are not present in person or by proxy at such adjourned meeting.

(c) Subject to Section 7.14, votes on an Extraordinary Resolution shall always be given on a poll, and no demand for a poll on an Extraordinary Resolution shall be necessary.

7.12 Powers Cumulative.

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Warrantholders by Extraordinary Resolution or otherwise may be exercised from time to time, and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Warrantholders to exercise such power or powers or combination of powers then or thereafter from time to time.

7.13 Minutes.

Minutes of all resolutions and proceedings at every meeting of Warrantholders shall be made and duly entered in books to be provided from time to time for that purpose by the Warrant Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

7.14 Instruments in Writing.

All actions that may be taken and all powers that may be exercised by the Warrantholders at a meeting held as provided in this Article 7 may also be taken and exercised by Warrantholders holding not less than 66 2/3% of the aggregate number of all of the then outstanding Warrants by an instrument in writing signed in one or more counterparts by such Warrantholders in person or by attorney duly appointed in writing, and the expression "**Extraordinary Resolution**" when used in this Indenture shall include an instrument so signed.

7.15 Binding Effect of Resolutions.

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 7 at a meeting of Warrantholders shall be binding upon all the Warrantholders, whether present at or absent from such meeting, and every instrument in writing signed by Warrantholders in accordance with Section 7.14 shall be binding upon all the Warrantholders, whether signatories thereto or not, and each and every Warrantholder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

7.16 Holdings by Corporation Disregarded.

In determining whether Warrantholders holding Warrants evidencing the required number of Warrants are present at a meeting of Warrantholders for the purpose of determining a quorum or have concurred in any consent, waiver, Extraordinary Resolution, Warrantholders' Request or other action under this Indenture, Warrants owned legally or beneficially by the Corporation shall be disregarded in accordance with the provisions of Section 10.7.

ARTICLE 8
SUPPLEMENTAL INDENTURES

8.1 Provision for Supplemental Indentures for Certain Purposes.

From time to time, the Corporation (when authorized by action of the directors) and the Warrant Agent may, subject to NEO and CSE approval (if required) and the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

(a) setting forth any adjustments resulting from the application of the provisions of Article 4;

(b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Warrantholders;

(c) giving effect to any Extraordinary Resolution passed as provided in Section 7.11;

(d) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Warrantholders;

(e) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrants, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;

(f) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Warrant Agent, relying on the advice of Counsel, such modification or relief in no way prejudices any of the rights of the Warrantholders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative;

(g) providing for the issuance of additional Warrants hereunder, including Warrants in excess of the number set out in Section 2.1 and any consequential amendments hereto as may be required by the Warrant Agent relying on the advice of Counsel; and

(h) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Warrant Agent, relying on the advice of Counsel, the rights of the Warrant Agent and of the Warrantholders are in no way prejudiced thereby.

8.2 Successor Entities.

In the case of the consolidation, amalgamation, arrangement, merger or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to or with another entity ("**successor entity**"), the successor entity resulting from such consolidation, amalgamation, arrangement, merger or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Warrant Agent acting reasonably and executed and delivered to the Warrant Agent, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

ARTICLE 9
CONCERNING THE WARRANT AGENT

9.1 Indenture Legislation.

(a) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.

(b) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

9.2 Rights and Duties of Warrant Agent.

(a) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall act honestly and in good faith and exercise that degree of care, diligence and skill that a reasonably prudent warrant agent would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Warrant Agent from liability for its own grossly negligent action, willful misconduct, bad faith or fraud.

(b) The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Warrantholders hereunder shall be conditional upon the Warrantholders furnishing, when required by notice by the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent and its officers, directors, employees and agents, against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.

(c) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Warrantholders, at whose instance it is acting to deposit with the Warrant Agent the Warrant Certificates held by them, for which Warrants the Warrant Agent shall issue receipts.

(d) Every provision of this Indenture that, by its terms, relieves the Warrant Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Applicable Legislation.

9.3 Evidence, Experts and Advisers.

(a) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.

(b) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to a request of the Warrant Agent, provided that such evidence complies with Applicable Legislation and that the Warrant Agent complies with Applicable Legislation and that the Warrant Agent examines the same and determines that such evidence complies with the applicable requirements of this Indenture.

(c) Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.

(d) The Warrant Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel, and shall not be responsible for any misconduct or gross negligence on the part of any such experts or advisers who have been appointed with due care by the Warrant Agent.

(e) The Warrant Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any Counsel, accountant, appraiser, engineer or other expert or adviser, whether retained or employed by the Corporation or by the Warrant Agent, in relation to any matter arising in the administration of the agency hereof.

9.4 Documents, Monies, etc. Held by Warrant Agent.

(a) Any monies, securities, documents of title or other instruments that may at any time be held by the Warrant Agent shall be placed in the deposit vaults of the Warrant Agent or of any Canadian chartered bank listed in Schedule I of the *Bank Act* (Canada), or deposited for safekeeping with any such bank. Any monies held pending the application or withdrawal thereof under any provisions of this Indenture, shall be held, invested and reinvested in "Permitted Investments" as directed in writing by the Corporation. "Permitted Investments" shall be treasury bills guaranteed by the Government of Canada having a term to maturity not to exceed ninety (90) days, or term deposits or bankers' acceptances of a Canadian chartered bank having a term to maturity not to exceed ninety (90) days, or such other investments that is in accordance with the Warrant Agent's standard type of investments. Unless otherwise specifically provided herein, all interest or other income received by the Warrant Agent in respect of such deposits and investments shall belong to the Corporation.

(b) Any written direction for the investment or release of funds received shall be received by the Warrant Agent by 9:00 a.m. (Vancouver Time) on the Business Day on which such investment or release is to be made, failing which such direction will be handled on a commercially reasonable efforts basis and may result in funds being invested or released on the next Business Day.

(c) The Warrant Agent shall have no responsibility or liability for any diminution of any funds resulting from any investment made in accordance with this Indenture, including any losses on any investment liquidated prior to maturity in order to make a payment required hereunder.

(d) In the event that the Warrant Agent does not receive a direction or only a partial direction, the Warrant Agent may hold cash balances constituting part or all of such monies and may, but need not, invest same in its deposit department, the deposit department of one of its affiliates, or the deposit department of a Canadian chartered bank; but the Warrant Agent, its affiliates or a Canadian chartered bank shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity.

9.5 Actions by Warrant Agent to Protect Interest.

The Warrant Agent shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Warrantholders.

9.6 Warrant Agent Not Required to Give Security.

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the agency and powers of this Indenture or otherwise in respect of the premises.

9.7 Protection of Warrant Agent.

By way of supplement to the provisions of any law for the time being relating to the Warrant Agent, it is expressly declared and agreed as follows:

(a) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representation contained in Section 9.9 or in the Authentication of the Warrant Agent on the Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;

(b) nothing herein contained shall impose any obligation on the Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;

(c) the Warrant Agent shall not be bound to give notice to any person or persons of the execution hereof;

(d) the Warrant Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of its covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation;

(e) the Corporation hereby indemnifies and agrees to hold harmless the Warrant Agent, its affiliates, their officers, directors, employees, agents, successors and assigns (the "**Indemnified Parties**") from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits, proceedings, costs, charges, assessments, judgments, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Indemnified Parties, or any of them, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties' duties, or any other services that Warrant Agent may provide in connection with or in any way relating to this Indenture. The Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that, notwithstanding any other provision of this Indenture, the Corporation shall not be required to hold harmless or indemnify the Indemnified Parties in the event of the gross negligence, bad faith, willful misconduct or fraud of the Warrant Agent or any Indemnified Party, and this provision shall survive the resignation or removal of the Warrant Agent or the termination or discharge of this Indenture; and

(f) notwithstanding the foregoing or any other provision of this Indenture, any liability of the Warrant Agent, other than arising as a result of the gross negligence, bad faith, willful misconduct or fraud of the Warrant Agent, shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Corporation to the Warrant Agent under this Indenture in the twelve (12) months immediately prior to the Warrant Agent receiving the first notice of the claim. Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Warrant Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

9.8 Replacement of Warrant Agent; Successor by Merger.

(a) The Warrant Agent may resign its agency and be discharged from all further duties and liabilities hereunder, subject to this Section 9.8, by giving to the Corporation not less than 60 days' prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Warrantholders by Extraordinary Resolution shall have power at any time to remove the existing Warrant Agent and to appoint a new warrant agent. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into

liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new warrant agent unless a new warrant agent has already been appointed by the Warrantholders; failing such appointment by the Corporation, the retiring Warrant Agent or any Warrantholder may apply to a judge of the Province of British Columbia on such notice as such judge may direct, for the appointment of a new warrant agent; but any new warrant agent so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Warrantholders. Any new warrant agent appointed under any provision of this Section 9.8 shall be an entity authorized to carry on the business of a trust company in the Province of British Columbia and, if required by the Applicable Legislation for any other provinces, in such other provinces. On any such appointment the new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent hereunder.

(b) Upon the appointment of a successor warrant agent, the Corporation shall promptly notify the Warrantholders thereof in the manner provided for in Section 10.2.

(c) Any Warrant Certificates Authenticated but not delivered by a predecessor Warrant Agent may be Authenticated by the successor Warrant Agent in the name of the predecessor or successor Warrant Agent.

(d) Any corporation into which the Warrant Agent may be merged or consolidated or amalgamated or to which all or substantially all of its business is sold, or any corporation resulting therefrom to which the Warrant Agent shall be a party, or any corporation succeeding to substantially the corporate trust business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as successor Warrant Agent under Section 9.8(a).

9.9 Conflict of Interest

The Warrant Agent represents to the Corporation that at the time of execution and delivery hereof no material conflict of interest exists between its role as a warrant agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 60 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its agency hereunder to a successor Warrant Agent approved by the Corporation and meeting the requirements set forth in Section 9.8(a)). Notwithstanding the foregoing provisions of this Section 9.9, if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Indenture and the Warrant Certificate shall not be affected in any manner whatsoever by reason thereof.

9.10 Acceptance of Agency

The Warrant Agent hereby accepts the agency in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth.

9.11 Warrant Agent Not to be Appointed Receiver.

The Warrant Agent and any person related to the Warrant Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

9.12 Authorization to Carry on Business

The Warrant Agent represents to the Corporation that as at the date of the execution and delivery of this Indenture, it is duly authorized and qualified to carry on the business of a trust company in the Province of British Columbia.

9.13 Warrant Agent Not Required to Give Notice of Default.

The Warrant Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and in the absence of any such notice the Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.

9.14 Anti-Money Laundering.

(a) Each party to this Agreement (other than the Warrant Agent) hereby represents to the Warrant Agent that any account to be opened by, or interest to be held by, the Warrant Agent in connection with this Agreement, for or to the credit of such party, either: (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Warrant Agent's prescribed form as to the particulars of such third party.

(b) The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten (10) days written notice to the other parties to this Agreement, provided: (i) that the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Warrant Agent's satisfaction within such ten (10) day period, then such resignation shall not be effective.

9.15 Compliance with Privacy Code.

The parties acknowledge that the Warrant Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(a) to provide the services required under this Indenture and other services that may be requested from time to time;

(b) to help the Warrant Agent manage its servicing relationships with such individuals;

(c) to meet the Warrant Agent's legal and regulatory requirements; and

(d) if Social Insurance Numbers are collected by the Warrant Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Warrant Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Indenture for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Warrant Agent shall make available on its website or upon request, including revisions thereto. The Warrant Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, each party agrees that it shall not provide or cause to be provided to the Warrant Agent any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

9.16 Securities Exchange Commission Certification.

The Corporation confirms that as at the date hereof it does not have a class of securities registered pursuant to Section 12 of the U.S. Exchange Act or a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act.

The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the U.S. Exchange Act, (ii) the Corporation shall incur a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act, or (iii) any such registration or reporting obligation shall be terminated by the Corporation in accordance with the U.S. Exchange Act, the Corporation shall promptly deliver to the Warrant Agent an officers' certificate notifying the Warrant Agent of such registration, reporting obligation or termination, and such other information as the Warrant Agent may reasonably require at the time. The Corporation acknowledges that the Warrant Agent is relying upon the foregoing representation and covenants in order to meet certain obligations of the Warrant Agent with respect to those clients of the Warrant Agent that are required to file reports with the SEC under the U.S. Exchange Act.

ARTICLE 10
GENERAL

10.1 Notice to the Corporation and the Warrant Agent.

(a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if delivered, sent by registered letter, postage prepaid or if emailed:

(i) If to the Corporation:

Columbia Care Inc.
680 Fifth Avenue, 24th Floor
New York, NY 10019 USA

Attention: Mary-Alice Miller, Chief Risk Officer
Email: mmiller@col-care.com

(ii) If to the Warrant Agent:

Odyssey Trust Company
323 – 409 Granville Street
Vancouver, British Columbia V6C 1T2

Attention: Corporate Trust
Email: corptrust@odysseytrust.com

and any such notice delivered in accordance with the foregoing shall be deemed to have been received and given on the date of delivery or, if mailed, on the fifth Business Day following the date of mailing such notice or, if transmitted by electronic means, on the next Business Day following the date of transmission.

(b) The Corporation or the Warrant Agent, as the case may be, may, from time to time, notify the other in the manner provided in Section 10.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.

(c) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed, as provided in Section 10.1(a), or given by email or other means of prepaid, transmitted and recorded communication.

10.2 Notice to Warrantholders.

(a) Unless otherwise provided herein, notice to the Warrantholders under the provisions of this Indenture shall be valid and effective if delivered or sent by ordinary prepaid post addressed to such holders at their post office addresses

appearing on the register hereinbefore mentioned and shall be deemed to have been effectively received and given on the date of delivery or, if mailed, on the third Business Day following the date of mailing such notice. In the event that Warrants are held in the name of the Depository, a copy of such notice shall also be sent by electronic communication to the Depository and shall be deemed received and given on the day it is so sent.

(b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to such Warrantholders to the address for such Warrantholders contained in the register maintained by the Warrant Agent or such notice may be given, at the Corporation's expense, by means of publication in the Globe and Mail, National Edition, or any other English language daily newspaper or newspapers of general circulation in Canada, in each two successive weeks, the first such notice to be published within 5 Business Days of such event, and any so notice published shall be deemed to have been received and given on the latest date the publication takes place.

(c) Accidental error or omission in giving notice or accidental failure to mail notice to any Warrantholder will not invalidate any action or proceeding founded thereon.

10.3 Ownership of Warrants.

The Corporation and the Warrant Agent may deem and treat the Warrantholders as the absolute owner thereof for all purposes, and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary, except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. The receipt of any such Warrantholder of the Common Shares which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Warrant Agent for the same and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

10.4 Counterparts and Electronic Means.

This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, they shall be deemed to be dated as of the date hereof. Delivery of an executed copy of this Indenture by facsimile, electronic transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Indenture as of the date hereof.

10.5 Satisfaction and Discharge of Indenture.

Upon the earlier of:

(a) the date by which there shall have been delivered to the Warrant Agent for exercise or cancellation all Warrants theretofore Authenticated hereunder, in the case of Certificated Warrants (or such other instructions, in a form satisfactory to the Warrant Agent) or, in the case of Uncertificated Warrants, by way of standard processing through the book entry only system in the case of a CDS Global Warrant; and

(b) the Expiry Time;

and if all certificates or other entry on the register representing Common Shares required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Warrant Agent in accordance with such provisions, this Indenture shall cease to be of further effect, and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

10.6 Provisions of Indenture and Warrants for the Sole Benefit of Parties and Warrantholders.

Nothing in this Indenture or in the Warrants, expressed or implied, shall give or be construed to give to any person, other than the parties hereto and the Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Warrantholders.

10.7 Warrants Owned by the Corporation - Certificate to be Provided.

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation in Section 7.16, the Corporation shall provide to the Warrant Agent, from time to time, a certificate of the Corporation setting forth as at the date of such certificate:

(a) the names (other than the name of the Corporation) of the Warrantholders which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation; and

(b) the number of Warrants owned legally or beneficially by the Corporation;

and the Warrant Agent, in making the computations in Section 7.16, shall be entitled to rely on such certificate without any additional evidence.

10.8 Severability

If, in any jurisdiction, any provision of this Indenture or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision will, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without (a) invalidating the remaining provisions of this Indenture, (b) affecting the validity or enforceability of such provision in any other jurisdiction or (c) affecting its application to other parties or circumstances.

10.9 Force Majeure

No party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

10.10 Assignment, Successors and Assigns

Neither of the parties hereto may assign its rights or interest under this Indenture, except as provided in (a) Section 9.8 in the case of the Warrant Agent or (b) Section 8.2 in the case of the Corporation. Subject thereto, this Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

10.11 Rights of Rescission and Withdrawal for Holders

Should a holder of Warrants exercise any legal, statutory, contractual or other right of withdrawal or rescission that may be available to it, and the holder's funds which were paid on exercise have already been released to the Corporation by the Warrant Agent, the Warrant Agent shall not be responsible for ensuring the exercise is cancelled and a refund is paid back to the holder. In such cases, the holder shall seek a refund directly from the Corporation and subsequently, the Corporation, upon surrender to the Corporation or the Warrant Agent of any underlying shares that may have been issued, or such other procedure as agreed to by the parties hereto, shall instruct the Warrant Agent in writing, to cancel the exercise transaction and any such underlying shares on the register, which may have already been issued upon the Warrant exercise. In the event that any payment is received from the Corporation by virtue of the holder being a shareholder for such Warrants that were subsequently rescinded, such payment must be returned to the Corporation by such holder. The Warrant Agent shall not be under any duty or obligation to take any steps to ensure or enforce that the funds are returned pursuant to this section, nor shall the Warrant Agent be in any other way responsible in the event that any payment is not delivered or received pursuant to this section. Notwithstanding the foregoing, in the event that the Corporation provides the refund to the Warrant Agent for distribution to the holder, the Warrant Agent shall return such funds to the holder as soon as reasonably practicable, and, in so doing, the Warrant Agent shall incur no liability with respect to the delivery or non-delivery of any such funds.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

COLUMBIA CARE INC.

By: /s/ Nicholas Vita
Name: Nicholas Vita
Title: CEO

By: /s/ Michael Abbott
Name: Michael Abbott
Title: Executive Chairman

ODYSSEY TRUST COMPANY

By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

COLUMBIA CARE INC.

By: _____
Name: Nicholas Vita
Title: Chief Executive Officer

By: _____
Name: Michael Abbott
Title: Executive Chairman

ODYSSEY TRUST COMPANY

By: /s/ Dan Sander
Name: Dan Sander
Title: VP, Corporate Trust

By: /s/ Amy Douglas
Name: Amy Douglas
Title: Director, Corporate Trust

SCHEDULE "A"

FORM OF WARRANT

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE ON OR BEFORE 5:00 P.M. (VANCOUVER TIME) ON JULY 2, 2023 AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

For all Warrants issued outside the United States and to Original U.S. Warrantholders that are Qualified Institutional Buyers and registered in the name of the Depository, also include the following legend:

(INSERT IF BEING ISSUED TO CDS) UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO COLUMBIA CARE INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN, AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

For Warrants originally issued for the benefit or account of a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), and each Warrant Certificate issued in exchange therefor or in substitution thereof, also include the following legends:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT"),** OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "**CORPORATION**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND

SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

WARRANT

To acquire Common Shares of

COLUMBIA CARE INC.

(existing under the laws of the Province of British Columbia)

Warrant Certificate No. _____

Certificate for _____ Warrants, each entitling the holder to acquire one (1) Common Share (subject to adjustment as provided for in the Warrant Indenture (as defined below)

CUSIP ● [CAD] / ● [US]

ISIN ● [CAD] / ● [US]

THIS IS TO CERTIFY THAT, for value received,

(the "**Warrantholde**r") is the registered holder of the number of common share purchase warrants (the "**Warrants**") of Columbia Care Inc. (the "**Corporation**") specified above and is entitled, on exercise of these Warrants upon and subject to the terms and conditions set forth herein and in the Warrant Indenture, to purchase at any time before 5:00 p.m. (Vancouver Time) (the "**Expiry Time**") on the date that is three (3) years after the Issue Date (the "**Expiry Date**") one fully paid and non-assessable common share without par value in the capital of the Corporation as constituted on the date hereof (a "**Common Share**") for each Warrant, subject to adjustment in accordance with the terms of the Warrant Indenture.

The right to purchase Common Shares may only be exercised by the Warrantholder within the time set forth above by:

(a) duly completing and executing the exercise form (the "**Exercise Form**") attached hereto; and

(b) surrendering this warrant certificate (the "**Warrant Certificate**"), with the Exercise Form, to the Warrant Agent at the principal office of the Warrant Agent, in the city of Vancouver, British Columbia, together with a certified cheque, bank draft or money order in the lawful money of Canada payable to or to the order of the Corporation in an amount equal to the purchase price of the Common Shares so subscribed for.

The surrender of this Warrant Certificate, the duly completed Exercise Form and payment as provided above will be deemed to have been effected only on personal delivery thereof to, or if sent by mail or other means of transmission on actual receipt thereof by, the Warrant Agent at its principal office as set out above.

Subject to adjustment thereof in the events and in the manner set forth in the Warrant Indenture hereinafter referred to, the exercise price payable for each Common Share upon the exercise of Warrants shall be CDN$4.53 per Common Share (the "**Exercise Price**").

Certificates for the Common Shares subscribed for will be mailed to the persons specified in the Exercise Form at their respective addresses specified therein or, if so specified in the Exercise Form, delivered to such persons at the office where this Warrant Certificate is surrendered. If fewer Common Shares are purchased than the number that can be purchased pursuant to this Warrant Certificate, the holder hereof will be entitled to receive without charge a new Warrant Certificate in respect of the balance of the Common Shares not so purchased. No fractional Common Shares will be issued upon exercise of any Warrant and no cash or other consideration will be paid in lieu of fractional Common Shares.

This Warrant Certificate evidences Warrants of the Corporation issued or issuable under the provisions of a warrant indenture (which indenture together with all other instruments supplemental or ancillary thereto is herein referred to as the "**Warrant Indenture**") dated as of July 2, 2020 between the Corporation and Odyssey Trust Company, as Warrant Agent, to which Warrant Indenture reference is hereby made for particulars of the rights of the holders of Warrants, the Corporation and the Warrant Agent in respect thereof and the terms and conditions on which the Warrants are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth, to all of which the holder, by acceptance hereof, assents. The Corporation will furnish to the holder, on request and without charge, a copy of the Warrant Indenture.

On presentation at the principal office of the Warrant Agent as set out above, subject to the provisions of the Warrant Indenture and on compliance with the reasonable requirements of the Warrant Agent, one or more Warrant Certificates may be exchanged for one or more Warrant Certificates representing the same number of Warrants as represented by the Warrant Certificate(s) so exchanged.

Neither the Warrants nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. The Warrants may not be exercised by a person in the United States, a U.S. Person, a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or a person requesting delivery in the United States of the Common Shares issuable upon such exercise unless (i) this Warrant and such Common Shares have been registered under the U.S. Securities Act and the applicable laws of any such state, or (ii) an exemption or exclusion from such registration requirements is available and the requirements set forth in the Exercise Form have been satisfied. Certificates representing Common Shares issued to, or for the account or benefit of, persons in the United States or U.S. Persons may bear a legend restricting the transfer and exercise of such securities under applicable United States federal and state securities laws. "United States" and "U.S. Person" are as defined in Regulation S under the U.S. Securities Act.

The Warrant Indenture contains provisions for the adjustment of the Exercise Price payable for each Common Share upon the exercise of Warrants and the number of Common Shares issuable upon the exercise of Warrants in the events and in the manner set forth therein.

The Warrant Indenture also contains provisions making binding on all holders of Warrants outstanding thereunder resolutions passed at meetings of holders of Warrants held in accordance with the provisions of the Warrant Indenture and instruments in writing signed by Warrantholders of Warrants entitled to purchase a specific majority of the Common Shares that can be purchased pursuant to such Warrants.

Nothing contained in this Warrant Certificate, the Warrant Indenture or elsewhere shall be construed as conferring upon the holder hereof any right or interest whatsoever as a holder of Common Shares or any other right or interest except as herein and in the Warrant Indenture expressly provided. In the event of any discrepancy between anything contained in this Warrant Certificate and the terms and conditions of the Warrant Indenture, the terms and conditions of the Warrant Indenture shall govern.

Warrants may only be transferred in compliance with the conditions of the Warrant Indenture on the register to be kept by the Warrant Agent in Vancouver, British Columbia, or such other registrar as the Corporation, with the approval of the Warrant Agent, may appoint at such other place or places, if any, as may be designated, upon surrender of this Warrant Certificate to the Warrant Agent or other registrar accompanied by a written instrument of transfer in form and execution satisfactory to the Warrant Agent or other registrar and upon compliance with the conditions prescribed in the Warrant Indenture and with such reasonable requirements as the Warrant Agent or other registrar may prescribe and upon the transfer being duly noted thereon by the Warrant Agent or other registrar. Time is of the essence hereof.

This Warrant Certificate will not be valid for any purpose until it has been countersigned by or on behalf of the Warrant Agent from time to time under the Warrant Indenture.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language. Les parties aux présentes déclarent qu’elles ont exigé que la présente convention, de même que tous les documents s’y rapportant, soient rédigés en anglais.

[Signature Page Follows]

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be duly executed as of _____, 20__.

COLUMBIA CARE INC.

By: _____
Authorized Signatory

Countersigned by:

ODYSSEY TRUST COMPANY

By: _____
Authorized Signatory

FORM OF TRANSFER

ANY TRANSFER OF WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER

To: Odyssey Trust Company

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to

_____

_____

(print name and address) the Warrants of Columbia Care Inc. represented by this Warrant Certificate or DRS Advice and hereby irrevocable constitutes and appoints as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Warrant Agent.

In the case of a warrant certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

☐ (A) the transfer is being made to the Corporation;

☐ (B) the transfer is being made outside the United States in compliance with Rule 904 of Regulation S under the U.S. Securities Act of 1933, as amended (the "U**.S. Securities Act"),** and in compliance with any applicable local laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Schedule "C" to the Warrant Indenture, or

☐ (C) the transfer is being made in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to such effect.

In the case of a Warrant Certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of a U.S. Person or to a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect.

☐ If transfer is to a person in the United States or a U.S. Person, check this box.

In the case of a transfer within the United States or to, or for the account or benefit of, a U.S. Person or to a person in the United States, the certificates representing the Warrants will be endorsed with a U.S. restrictive legend.

DATED this _____ day of _____, 20__.

SPACE FOR GUARANTEES OF SIGNATURES (BELOW)

Guarantor's Signature/Stamp

Signature of Transferor

Name of Transferor

REASON FOR TRANSFER – For US Citizens or Residents only (where the individual(s) or corporation receiving the securities is a US citizen or resident). Please select only one (see instructions below).

☐ Gift ☐ Estate ☐ Private Sale ☐ Other (or no change in ownership)

Date of Event (Date of gift, death or sale):

Value per Warrant on the date of event:

☐ ☐

CAD OR USD

CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then-current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.
- **Canada:** A Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.

- **Outside North America:** For holders located outside North America, present the certificates(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

OR

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”, “MEDALLION GUARANTEED” OR “SIGNATURE & AUTHORITY TO SIGN GUARANTEE”, all in accordance with the transfer agent’s then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer with a “MEDALLION GUARANTEED” Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

REASON FOR TRANSFER – FOR US CITIZENS OR RESIDENTS ONLY

Consistent with U.S. IRS regulations, Odyssey Trust Company is required to request cost basis information from U.S. securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized but, rather, the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

SCHEDULE "B"

EXERCISE FORM

TO: Columbia Care Inc. (the "**Corporation**")
680 Fifth Avenue, 24th Floor
New York, NY 10019 USA

AND TO: Odyssey Trust Company (the "**Warrant Agent**")
323 – 409 Granville Street
Vancouver, British Columbia V6C 1T2

The undersigned holder of the Warrants evidenced by this Warrant Certificate or DRS Advice hereby exercises the right to acquire _____ (A) Common Shares of Columbia Care Inc.

Exercise Price Payable: _____
((A) multiplied by C$4.53, subject to adjustment)

The undersigned hereby exercises the right of such holder to be issued, and hereby subscribes for, Common Shares that are issuable pursuant to the exercise of such Warrants on the terms specified in such Warrant Certificate and in the Warrant Indenture.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ (A) the undersigned holder at the time of exercise of the Warrants (i) is not in the United States, (ii) is not a U.S. Person, (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this exercise form in the United States; (vii) is not requesting delivery in the United States of the Warrant Shares issuable upon such exercise; and (viii) represents and warrants that the exercise of the Warrants and acquisition of the Warrant Shares occurred in an "offshore transaction" (as defined under Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")); OR

☐ (B) the undersigned holder is (i) an Original U.S. Warrantholder, (ii) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the subscription agreement executed and delivered in connection with its purchase of the Units pursuant to

which the Units were originally issued and of which the Warrants originally comprised a part, (iii) is, and such disclosed principal, if any, is, an Accredited Investor at the time of exercise of these Warrants, and (iv) confirms the representations and warranties of the holder made in the subscription agreement executed and delivered in connection with its purchase of the Units pursuant to which the Units were originally issued and of which the Warrants originally comprised a part remain true and correct as of the date of exercise of these Warrants; OR

☐ (C) the undersigned holder

(i) is (1) in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or (4) requesting delivery in the United States of the Warrant Shares issuable upon such exercise, and

(ii) has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants and the issuance of the Warrant Shares and has delivered to the Corporation and the Warrant Agent a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation, to that effect.

It is understood that the Corporation and the Warrant Agent may require evidence to verify the foregoing representations.

The undersigned holder understands that unless Box A above is checked, the certificate representing the Common Shares may be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Indenture and the subscription documents). If Box C above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion or other evidence tendered in connection with the exercise will be satisfactory in form and substance to the Corporation. "U**.S. Person"** and "United **States"** are as defined in Regulation S under the U.S. Securities Act.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation. The undersigned hereby further acknowledges that the Corporation will rely upon the confirmations, acknowledgements and agreements set forth herein, and agrees to notify the Corporation promptly in writing if any of the representations or warranties herein ceases to be accurate or complete.

The undersigned hereby irrevocably directs that the said Common Shares be issued, registered and delivered as follows:

Name(s) in Full and Social Insurance Number(s) (if applicable)	Address(es)	Number of Common Shares

Please print full name in which certificates representing the Common Shares are to be issued. If any Common Shares are to be issued to a person or persons other than the registered holder, the registered holder must pay to the Warrant Agent all eligible transfer taxes or other government charges, if any, and the Form of Transfer must be duly executed.

Once completed and executed, this Exercise Form must be mailed or delivered to Odyssey Trust Company, 323 – 409 Granville Street, Vancouver, British Columbia V6C 1T2, Attention: Corporate Trust.

DATED this _____ day of _____, 20__.

)
)
_____)
Witness)
)
)
)
)

_____
Signature of Warrantholder, to be the same as appears on the face of this Warrant Certificate

_____
Name of Warrantholder

☐ Please check if the certificates representing the Common Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which such certificates will be mailed to the address set out above. Certificates will be delivered or mailed as soon as practicable after the surrender of this Warrant Certificate to the Warrant Agent.

SCHEDULE "C"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: ODYSSEY TRUST COMPANY as registrar and transfer agent for the [Warrants / Common Shares issuable upon exercise of the Warrants] of Columbia Care Inc. (the "**Corporation**")

AND TO: THE CORPORATION

The undersigned (A) acknowledges that the sale of _____ (the "**Securities**") of the Corporation, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that: (1) the undersigned is not an "affiliate" (as that term is defined in Rule 405 under the U.S. Securities Act) of the Corporation; (2) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) none of the seller, any affiliate of the seller or any person acting on their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such Securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this _____ day of _____, 20__.

X _____
Signature of individual (if Seller **is** an individual)

X _____
Authorized signatory (if Seller is **not** an individual)

_____
Name of Seller **(please print)**

_____
Name of authorized signatory **(please print)**

_____
Official capacity of authorized signatory (**please print**)

COLUMBIA CARE INC.

as the Corporation

and

ODYSSEY TRUST COMPANY

as the Warrant Agent

WARRANT INDENTURE
Providing for the Issue of Warrants

Dated as of October 29, 2020

TABLE OF CONTENTS

WARRANT INDENTURE

THIS WARRANT INDENTURE is dated as of October 29, 2020.

BETWEEN:

COLUMBIA CARE INC., a corporation existing under the laws of the Province of British Columbia (the "**Corporation**"),

- and -

ODYSSEY TRUST COMPANY, a trust company incorporated under the laws of Alberta and registered to carry on business in the Provinces of British Columbia and Alberta (the "**Warrant Agent**")

WHEREAS, the Corporation intends to issue, by way of private placement in one or more tranches, units ("**Units**") of the Corporation, with each Unit being comprised of (i) US$1,000 principal amount of 13.00% notes of the Corporation and (ii) 60 common share purchase warrants (the "**Warrants**");

AND WHEREAS, pursuant to this Indenture, each Warrant shall, subject to adjustment as described herein, entitle the holder thereof to acquire one (1) common share (the "**Common Shares**") of the Corporation upon payment of the Exercise Price (as defined herein) prior to the Expiry Time, upon the terms and conditions herein set forth;

AND WHEREAS, all acts and deeds necessary have been done and performed to make the Warrants, when created and issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture;

AND WHEREAS, the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Warrant Agent.

NOW THEREFORE, in consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby appoints the Warrant Agent as warrant agent to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become the holders of Warrants issued pursuant to this Indenture and the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions.

In this Indenture, including the recitals and schedules hereto, and in all indentures supplemental hereto:

"**Adjustment Period**" means the period from the Effective Date up to and including the Expiry Time;

"**Applicable Legislation**" means any statute of Canada or a province thereof, and the regulations under any such named or other statute, relating to warrant indentures or to the rights, duties and obligations of warrant agents under warrant indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

"**Applicable Securities Legislation**" means applicable securities laws (including rules, regulations, policies and instruments) in each of the applicable provinces and territories of Canada;

"**Auditors**" means Davidson & Company LLP or such other firm of chartered professional accountants duly appointed as auditors of the Corporation, from time to time;

"**Authenticated**" means (a) with respect to the issuance of a Warrant Certificate, one which has been duly signed by the Corporation and authenticated by manual signature of an authorized signatory of the Warrant Agent, and (b) with respect to the issuance of an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant as required by Section 2.7 are entered in the register of holders of Warrants, "**Authenticate**", "**Authenticating**" and "**Authentication**" have the appropriate correlative meanings;

"**beneficial owner**" means a person that has a beneficial interest in a Warrant;

"**Book Entry Only Participants**" or "**Participants**" means institutions that participate directly or indirectly in the Depository's book entry registration system for the Warrants;

"**Book Entry Only Warrants**" means Warrants that are to be held only by or on behalf of the Depository;

"**Business Day**" means any day other than Saturday, Sunday or a statutory or civic holiday, or any other day on which banks are not open for business in the City of Vancouver, Province of British Columbia, and shall be a day on which the NEO or CSE is open for trading;

"**CDS Global Warrants**" means Warrants representing all or a portion of the aggregate number of Warrants issued in the name of the Depository represented by an Uncertificated Warrant, or if requested by the Depository or the Corporation, by a Warrant Certificate;

"**Certificated Warrant**" means a Warrant evidenced by a writing or writings substantially in the form of Schedule "A", attached hereto;

"**Common Shares**" means, subject to Article 4, fully paid and non-assessable common shares in the capital of the Corporation as presently constituted;

"**Confirmation**" has the meaning ascribed thereto in Section 3.2(d) of this Indenture;

"**Corporation**" means Columbia Care Inc. or any successor entity thereto;

"**Counsel**" means a barrister and/or solicitor or a firm of barristers and/or solicitors retained by the Warrant Agent or retained by the Corporation and acceptable to the Warrant Agent, which may or may not be counsel for the Corporation;

"**CSE**" means the Canadian Securities Exchange;

"**Current Market Price**" of the Common Shares at any date means the volume weighted average of the trading price per Common Share for such Common Shares for each day there was a closing price for the twenty (20) consecutive Trading Days ending five (5) days prior to such date on the NEO or CSE or if on such date the Common Shares are not listed on the NEO or CSE, on such stock exchange upon which such Common Shares are listed and as selected by the directors of the Corporation, or, if such Common Shares are not listed on any stock exchange then on such over-the-counter market as may be selected for such purpose by the directors of the Corporation;

"**Depository**" means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Corporation to act as depository in respect of the Warrants;

"**Dividends**" means any dividends paid by the Corporation on its Common Shares;

"**DRS**" means the Direct Registration System maintained by the Warrant Agent, in the case of the Warrants, or the Corporation's transfer agent, in the case the of the Common Shares;

"**DRS Advice**" means the notification produced by the DRS system evidencing ownership of the Warrants or Common Shares, as the case may be;

"**Effective Date**" means the date of this Indenture;

"**Exchange Rate**" means the number of Common Shares subject to the right of purchase under each Warrant which as of the date hereof is one;

"**Exercise Date**" means, in relation to a Warrant, the Business Day on which such Warrant is validly exercised or deemed to be validly exercised in accordance with Article 3 hereof;

"**Exercise Notice**" has the meaning set forth in Section 3.2(a);

"**Exercise Price**" at any time means the price at which a whole Common Share may be purchased by the exercise of a whole Warrant, which is initially CDN$5.84 per Common Share, payable in immediately available funds, subject to adjustment in accordance with the provisions of Section 4.1;

"**Expiry Date**" means May 14, 2023;

"**Expiry Time**" means 5:00 p.m. (Vancouver Time) on the Expiry Date;

"**Extraordinary Resolution**" has the meaning set forth in Section 7.11(a) of this Indenture;

"**Indemnified Parties**" has the meaning ascribed thereto in Section 9.7(e) of this Indenture;

"**Internal Procedures**" means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership), the minimum number of the Warrant Agent's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Warrant Agent, it being understood that neither preparation nor issuance shall constitute part of such procedures for any purpose of this definition;

"**Issue Date**" means the closing date of the applicable tranche of the Offering;

"**NEO**" means the Neo Exchange Inc., or such other Canadian stock exchange on which the Common Shares are listed for trading from time to time;

"**Offering**" has the meaning ascribed thereto in the recitals to this Indenture;

"**Original U.S. Warrantholder**" means a U.S. Warrantholder that is (i) a Qualified Institutional Buyer and the original purchaser of the Warrants and who delivered a properly executed Qualified Institutional Buyer Certificate attached as Annex 2 to Schedule E to the U.S. subscription agreement between each Qualified Institutional Buyer and the Corporation in connection with its purchase of Units pursuant to the Offering, or (ii) a U.S. Accredited Investor and the original purchaser of the Warrants and who delivered a properly executed U.S. Accredited Investor Agreement attached as Exhibit Annex 1 to Schedule E to the U.S. subscription agreement between each U.S. Accredited Investor and the Corporation in connection with its purchase of Units pursuant to the Offering;

"**person**" means an individual, body corporate, partnership, limited liability company, trust, warrant agent, executor, administrator, legal representative or any unincorporated organization;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as such term is defined in Rule 144A under the U.S. Securities Act, that is also a U.S. Accredited Investor;

"**register**" means the one set of records and accounts maintained by the Warrant Agent pursuant to Section 2.9 of this Indenture;

"**Regulation D**" means Regulation D under the U.S. Securities Act;

"**Regulation S**" means Regulation S under the U.S. Securities Act;

"**SEC**" means the U.S. Securities and Exchange Commission;

"**Shareholders**" means holders of Common Shares;

"**successor entity**" has the meaning ascribed thereto in Section 8.2 of this Indenture;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder;

"**this Warrant Indenture**", "**this Indenture**", "**this Agreement**", "**hereto**" "**herein**", "**hereby**", "**hereof**" and similar expressions mean and refer to this Indenture and any indenture, deed or instrument supplemental hereto; and the expressions "**Article**", "**Section**", "**subsection**" and "**paragraph**" followed by a number, letter or both mean and refer to the specified article, section, subsection or paragraph of this Indenture;

"**Trading Day**" means, with respect to the NEO or the CSE, a day on which such exchange is open for the transaction of business or, with respect to another exchange or an over-the-counter market, a day on which such exchange or market is open for the transaction of business;

"**U.S. Accredited Investor**" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Legend**" has the meaning set forth in Section 2.8(a);

"**U.S. Person**" has the meaning set forth in Rule 902(k) of Regulation S;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Warrantholder**" means any (a) Warrantholder that (i) is a U.S. Person, (ii) is in the United States, (iii) received an offer to acquire Warrants while in the United States, or (iv) was in the United States at the time such Warrantholder's buy order was made or such Warrantholder executed or delivered its purchase order for the Warrants or (b) person who acquired Warrants on behalf of, or for the account or benefit of, any U.S. Person or any person in the United States;

"**Uncertificated Warrant**" means any Warrant that is not a Certificated Warrant, including DRS Advices;

"**Units**" has the meaning set forth in the recitals;

"**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

"**Warrant Agency**" means the principal office of the Warrant Agent in the City of Vancouver, British Columbia or such other place as may be designated in accordance with Section 3.5;

"**Warrant Agent**" means Odyssey Trust Company, in its capacity as warrant agent of the Warrants, or its successors from time to time;

"**Warrant Certificate**" means a certificate, substantially in the form set forth in Schedule "A" hereto, to evidence those Warrants that will be evidenced by a certificate;

"**Warrant Shares**" means Common Shares issuable upon exercise of the Warrants;

"**Warrantholders**", or "**holders**" without reference to Warrants means the persons entered in the register hereinafter mentioned as holders of Warrants outstanding at such time;

"**Warrantholders' Request**" means an instrument signed in one or more counterparts by Warrantholders holding in the aggregate not less than 50% of the aggregate number of all Warrants then-unexercised and then-outstanding, requesting the Warrant Agent to take some action or proceeding specified therein;

"**Warrants**" means the Common Share purchase warrants created by and authorized by and issuable under this Indenture, to be issued and countersigned hereunder as a Certificated Warrant and/or Uncertificated Warrant evidenced by a DRS Advice or held through the book entry registration system on a no certificate issued basis, entitling the holder or holders thereof to purchase one (1) Common Share (subject to adjustment as herein provided) per Warrant at the Exercise Price prior to the Expiry Time and, where the context so requires, also means the Warrants issued and Authenticated hereunder, whether by way of Warrant Certificate or Uncertificated Warrant; and

"**written order of the Corporation**", "**written request of the Corporation**", "**written consent of the Corporation**" and "**certificate of the Corporation**" mean, respectively, a written order, request, consent and certificate signed in the name of the Corporation by any two duly authorized signatories of the Corporation and may consist of one or more instruments so executed.

1.2 Gender and Number.

Words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa.

1.3 Headings, Etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Warrants.

1.4 Day not a Business Day.

If any day on or before which any action or notice is required to be taken or given hereunder is not a Business Day, then such action or notice shall be required to be taken or given on or before the requisite time on the next succeeding day that is a Business Day.

1.5 Time of the Essence.

Time shall be of the essence of this Indenture.

1.6 Monetary References.

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed.

1.7 Applicable Law.

This Indenture, the Warrants, the Warrant Certificates (including all documents relating thereto, which by common accord have been and will be drafted in English) shall be construed in accordance with the laws of the Province of British Columbia and the federal laws applicable therein and shall be treated in all respects as British Columbia contracts. Each of the parties hereto, which shall include the Warrantholders, irrevocably attorns to the exclusive jurisdiction of the courts of the Province of British Columbia with respect to all matters arising out of this Indenture and the transactions contemplated herein.

ARTICLE 2
ISSUE OF WARRANTS

2.1 Creation and Issue of Warrants.

An unlimited number of Warrants (subject to adjustment as herein provided) are hereby created and authorized to be issued in accordance with the terms and conditions hereof. By written order

of the Corporation, the Warrant Agent shall issue and deliver Warrant Certificates to Warrantholders, or no certificate for Uncertificated Warrants, and record the name of the Warrantholders on the Warrant register. Registration of interests in Warrants held by the Depository may be evidenced by a position appearing on the register for Warrants of the Warrant Agent for an amount representing the aggregate number of such Warrants outstanding from time to time.

2.2 Terms of Warrants.

(a) Subject to the applicable conditions for exercise set out in Article 3 having been satisfied and subject to adjustment in accordance with Section 4.1, each Warrant shall entitle each holder thereof, upon the exercise thereof at any time after the Issue Date and prior to the Expiry Time, to acquire one (1) Common Share upon payment to the Corporation of the Exercise Price.

(b) No fractional Warrants shall be issued or otherwise provided for hereunder and Warrants may only be exercised in a sufficient number to acquire whole numbers of Common Shares. Any fractional Warrants shall be rounded down to the nearest whole number.

(c) Each Warrant shall entitle the holder thereof to only such other rights and privileges as are set forth in this Indenture.

(d) The number of Common Shares that may be purchased pursuant to the Warrants, and the Exercise Price therefor, shall be adjusted upon the events and in the manner specified in Section 4.1.

2.3 Warrantholder not a Shareholder.

Except as may be specifically provided herein, nothing in this Indenture or in the holding of a Warrant Certificate, entitlement to a Warrant or otherwise, shall, in itself, confer or be construed as conferring upon a Warrantholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Corporation, or the right to Dividends and other allocations.

2.4 Warrants to Rank Pari Passu.

All Warrants shall rank equally and without preference over each other, whatever may be the actual date of issue thereof.

2.5 Form of Warrants, Certificated Warrants.

(a) The Warrants may be issued in both certificated and uncertificated form. Each Warrant issued to, or for the account for benefit of, a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), and each Warrant in exchange or substitution therefor, will be evidenced by a Warrant Certificate that bears the U.S. Legend. All Warrants issued in certificated form shall be evidenced by a Warrant Certificate (including all replacements issued in accordance with this Indenture), substantially in the form set out in Schedule “A” hereto, which shall be dated as of the Issue Date, shall bear such distinguishing

letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions; provided that any Warrant issued to an Original U.S. Warrantholder that is a Qualified Institutional Buyer may be issued in certificated form or uncertificated form, in each case as part of the Warrants issued in the name of the Depository. All Warrants issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Warrantholders to be maintained by the Warrant Agent in accordance with Section 2.9.

(b) Each Warrantholder by purchasing such Warrant acknowledges and agrees that the terms and conditions set forth in the form of the Warrant Certificate set out in Schedule "A" hereto shall apply to all Warrants and Warrantholders regardless of whether such Warrants are issued in certificated or uncertificated form.

2.6 Book Entry Only Warrants.

(a) Registration of beneficial interests in and transfers of Warrants held by the Depository shall be made only through the book entry registration system and no Warrant Certificates shall be issued in respect of such Warrants except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by the Depository, as determined by the Corporation, from time to time. Except as provided in this Section 2.6, owners of beneficial interests in any CDS Global Warrants shall not be entitled to have Warrants registered in their names and shall not receive or be entitled to receive Warrants in definitive form or to have their names appear in the register referred to in Section 2.9 herein.

(b) Notwithstanding any other provision in this Indenture, no CDS Global Warrants may be exchanged in whole or in part for Warrants registered, and no transfer of any CDS Global Warrants in whole or in part may be registered, in the name of any person other than the Depository for such CDS Global Warrants or a nominee thereof unless:

(i) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in connection with the Book Entry Only Warrants and the Corporation is unable to locate a qualified successor;

(ii) the Corporation determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Global Warrants and the Corporation is unable to locate a qualified successor;

(iii) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor;

(iv) the Corporation determines that the Warrants shall no longer be held as Book Entry Only Warrants through the Depository;

(v) such right is required by applicable law, as determined by the Corporation and the Corporation's Counsel;

(vi) the Warrant is to be Authenticated to or for the account or benefit of a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), in which case, the Warrant Certificate shall contain the U.S. Legend set forth in Section 2.8(a), if applicable; or

(vii) such registration is effected in accordance with the internal procedures of the Depository and the Warrant Agent,

following which, Warrants for those holders requesting the same shall be registered and issued to the beneficial owners of such Warrants or their nominees as directed by the Depository. The Corporation shall provide a certificate of the Corporation giving notice to the Warrant Agent of the occurrence of any event outlined in this Section 2.6(b)(i) – (vi).

(c) Subject to the provisions of this Section 2.6, any exchange of CDS Global Warrants for Warrants that are not CDS Global Warrants may be made in whole or in part in accordance with the provisions of Section 2.11, mutatis mutandis. All such Warrants issued in exchange for a CDS Global Warrant or any portion thereof shall be registered in such names as the Depository for such CDS Global Warrants shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Global Warrants) as the CDS Global Warrants or portion thereof surrendered upon such exchange.

(d) Every Warrant that is Authenticated upon registration or transfer of a CDS Global Warrant, or in exchange for or in lieu of a CDS Global Warrant or any portion thereof, whether pursuant to this Section 2.6, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Global Warrant, unless such Warrant is registered in the name of a person other than the Depository for such CDS Global Warrant or a nominee thereof.

(e) Notwithstanding anything to the contrary in this Indenture, subject to applicable law, the CDS Global Warrant will be issued as an Uncertificated Warrant, unless otherwise requested in writing by the Depository or the Corporation.

(f) The rights of beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system shall be limited to those established by applicable law and agreements between the Depository and the Book Entry Only Participants and between such Book Entry Only Participants and the beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book entry registration system, and such rights must be exercised through a Book Entry Only Participant in accordance with the rules and procedures of the Depository.

(g) Notwithstanding anything herein to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for:

(i) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Warrants or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Warrant represented by an electronic position in the book entry registration system (other than the Depository or its nominee);

(ii) maintaining, supervising or reviewing any records of the Depository or any Book Entry Only Participant relating to any such interest; or

(iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Only Participant.

(h) The Corporation may terminate the application of this Section 2.6 in its sole discretion, in which case all Warrants shall be evidenced by Warrant Certificates registered in the name of a person other than the Depository.

2.7 Warrant Certificate.

(a) For Warrants issued in certificated form, the form of certificate representing Warrants shall be substantially as set out in Schedule "A" hereto or such other form as is authorized from time to time by the Corporation and the Warrant Agent. Each Warrant Certificate shall be Authenticated manually on behalf of the Warrant Agent. Each Warrant Certificate shall be signed by any duly authorized signatory of the Corporation whose signature shall appear on the Warrant Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Corporation as if it had been signed manually. Any Warrant Certificate which has a signature as hereinbefore provided shall be valid notwithstanding that the person whose signature is printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such certificate. The Warrant Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Warrant Agent may determine.

(b) The Warrant Agent shall Authenticate Uncertificated Warrants (whether upon original issuance, exchange, registration of transfer, partial payment, or otherwise) by completing its Internal Procedures, and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Warrants under this Indenture. Such Authentication shall be conclusive evidence that each such Uncertificated Warrant has been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Warrants with respect to which this Indenture requires the Warrant Agent to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Warrants are binding on the Corporation.

(c) Any Warrant Certificate validly issued in accordance with the terms of this Indenture in effect at the time of issue of such Warrant Certificate shall, subject to the terms of this Indenture and applicable law, validly entitle the holder to acquire Common Shares, notwithstanding that the form of such Warrant Certificate may not be in the form currently required by this Indenture.

(d) No Warrant shall be considered issued, valid or obligatory nor shall the holder thereof be entitled to the benefits of this Indenture until the Warrant has been Authenticated by the Warrant Agent. Authentication by the Warrant Agent, including by way of entry on the register, shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or of such Warrant Certificates or Uncertificated Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture, and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or of the consideration thereof. Authentication by the Warrant Agent shall be conclusive evidence as against the Corporation that the Warrants so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.

(e) No Certificated Warrant shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by manual signature by or on behalf of the Warrant Agent substantially in the form of the Warrant Certificate set out in Schedule "A" hereto. Such Authentication on any such Certificated Warrant shall be conclusive evidence that such Certificated Warrant is duly Authenticated and is valid and a binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

(f) No Uncertificated Warrant shall be considered issued and shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Warrant. Such entry on the register of the particulars of an Uncertificated Warrant shall be conclusive evidence that such Uncertificated Warrant is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

(g) The Authentication by the Warrant Agent of any Warrants whether by way of entry on the register or otherwise shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or such Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or the proceeds thereof.

2.8 Legends.

(a) Neither the Warrants nor the Warrant Shares have been, nor will they be, registered under the U.S. Securities Act or under the securities laws of any state of the United States, and may not be offered, sold or otherwise disposed of by a U.S.

Warrantholder unless an exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable state securities laws is available or the Warrants and Warrant Shares, as applicable, are the subject of an effective registration statement under the U.S. Securities Act. Each Warrant Certificate issued to, or for the benefit or account of, a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), and each Warrant Certificate issued in exchange therefor or in substitution thereof shall bear the following legend or such variations thereof as the Corporation may prescribe from time to time (the "**U.S. Legend**"):

"THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "**CORPORATION**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided that, if the Warrants are being sold outside the United States in compliance with Rule 904 of Regulation S and in compliance with applicable local securities laws and regulations, and the Corporation is a "foreign private issuer" (as such term is defined in Regulation S) at the time the Warrants are originally issued, this U.S. Legend may be removed by the transferor providing a declaration to the Warrant Agent and to the Corporation in the form set forth in Schedule "C" or as the Corporation may prescribe from time to time, or such other evidence which may include an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation; provided further, that, if any such

Warrants are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or in another transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the U.S. Legend may be removed by delivery to the Warrant Agent and the Corporation of an opinion of counsel, of recognized standing, reasonably satisfactory to the Corporation, to the effect that such U.S. Legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws.

The Warrant Agent shall be entitled to request any other documents that it may reasonably require in accordance with its internal policies for the removal of the U.S. Legend set forth above.

(b) Each CDS Global Warrant originally issued in Canada and held by the Depository, and each CDS Global Warrant issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Corporation may prescribe from time to time:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO COLUMBIA CARE INC. (THE "**ISSUER**") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN, AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

(c) Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Warrants, no duty or responsibility whatsoever shall rest upon the Warrant Agent to determine the compliance by any transferor or transferee with the terms of the legend contained in subsections 2.8(a) or 2.8(b), or with the relevant securities laws or regulations, including, without limitation, Regulation S, and the Warrant Agent shall be entitled to assume that all transfers that are processed in accordance with this Indenture are legal and proper.

2.9 Register of Warrants.

(a) The Warrant Agent shall maintain records and accounts concerning the Warrants, whether certificated or uncertificated, which shall contain the information called for below with respect to each Warrant, together with such other information as may be required by law or as the Warrant Agent may elect to record. All such

information shall be kept in one set of accounts and records which the Warrant Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Warrants. The information to be entered for each account in the register of Warrants at any time shall include (without limitation):

(i) the name and address of the holder of the Warrants, the date of Authentication thereof and the number of Warrants;

(ii) whether such Warrant is a Certificated Warrant or an Uncertificated Warrant and, if a Warrant Certificate, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Warrant, the unique number or code assigned thereto if any;

(iii) if any portion thereof has been exercised, the date and price of such exercise, and the remaining balance of such Warrants;

(iv) whether such Warrant has been cancelled; and

(v) a register of transfers in which all transfers of Warrants and the date and other particulars of each transfer shall be entered.

The register shall be available for inspection by the Corporation or any Warrantholder during the Warrant Agent's regular business hours on a Business Day and upon payment to the Warrant Agent of its reasonable fees. Any Warrantholder exercising such right of inspection shall first provide an affidavit, in form satisfactory to the Corporation and the Warrant Agent, stating the name and address of the Warrantholder and agreeing not to use the information therein except in connection with an effort to call a meeting of Warrantholders or to influence the voting of Warrantholders at any meeting of Warrantholders.

(b) Once an Uncertificated Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Warrant Agent from the holder as provided herein, except that the Warrant Agent may act unilaterally to make purely administrative changes internal to the Warrant Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably: (i) consented to the foregoing authority of the Warrant Agent to make such minor error corrections; and (ii) agreed to pay to the Warrant Agent, promptly upon written demand, the full amount of all loss and expense (including without limitation reasonable legal fees of the Corporation and the Warrant Agent plus interest, at an appropriate then prevailing rate of interest to the Warrant Agent) sustained by the Corporation or the Warrant Agent as a proximate result of such error if, but only if, and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Warrant Agent; provided, that no person who is a bona fide purchaser shall have any such obligation to the Corporation or to the Warrant Agent.

2.10 Issue in Substitution for Warrant Certificates Lost, etc.

(a) If any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to applicable law, shall issue, and thereupon the Warrant Agent shall certify and deliver, a new Warrant Certificate of like tenor and bearing the same legend, if applicable, as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substituted Warrant Certificate shall be in a form approved by the Warrant Agent, and the Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Warrants issued or to be issued hereunder.

(b) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.10 shall bear the cost of the issue thereof and, in case of loss, destruction or theft, shall, as a condition precedent to the issuance thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Warrant Agent, in their sole discretion, and such applicant shall also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Warrant Agent, in their sole discretion, and shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

2.11 Exchange of Warrant Certificates.

(a) Any one or more Warrant Certificates representing any number of Warrants may, upon compliance with the reasonable requirements of the Warrant Agent (including compliance with applicable securities legislation), be exchanged for one or more other Warrant Certificates representing the same aggregate number of Warrants, and bearing the same legend, if applicable, as represented by the Warrant Certificate or Warrant Certificates so exchanged.

(b) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificate from the holder (or such other instructions, in form satisfactory to the Warrant Agent), tendered for exchange shall be surrendered to the Warrant Agency and cancelled by the Warrant Agent.

(c) Warrant Certificates exchanged for Warrant Certificates that bear the U.S. Legend set forth in Section 2.8(a) shall bear the same U.S. Legend.

2.12 Transfer and Ownership of Warrants.

(a) The Warrants may only be transferred on the register kept by the Warrant Agent at the Warrant Agency by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the

Warrant Agent only upon: (a) in the case of a Warrant Certificate, surrendering to the Warrant Agent at the Warrant Agency the Warrant Certificate representing the Warrants to be transferred together with a duly executed transfer form as set forth in Schedule "A" (together with a declaration for removal of U.S. Legend or opinion of counsel, if required by Section 2.8(a)); (b) in the case of Book Entry Only Warrants, in accordance with procedures prescribed by the Depository under the book entry registration system; (c) in the case of DRS Advices, in accordance with the procedures prescribed by the Warrant Agent; and (d) upon compliance with:

(i) the conditions herein;

(ii) such reasonable requirements as the Warrant Agent may prescribe; and

(iii) all applicable securities legislation and requirements of regulatory authorities;

and, in the case of (a) or (c) above, such transfer shall be duly noted in such register by the Warrant Agent. Upon compliance with such requirements, the Warrant Agent shall issue to the transferee a Warrant Certificate or DRS Advice, as applicable. Transfers within the systems of the Depository are not the responsibility of the Warrant Agent and will not be noted on the register maintained by the Warrant Agent.

(b) If a Warrant Certificate tendered for transfer bears the U.S. Legend set forth in Section 2.8(a), the Warrant Agent shall not register such transfer unless the transferor has provided the Warrant Agent with the Warrant Certificate and: (A) the transfer is made to the Corporation; (B) the transfer is made outside of the United States in a transaction meeting the requirements of Rule 904 of Regulation S, and is in compliance with applicable local laws and regulations, and the transferor delivers to the Warrant Agent and the Corporation a declaration substantially in the form set forth in Schedule "C" to this Warrant Indenture, or in such other form as the Corporation may from time to time prescribe, together with such other evidence of the availability of an exemption or exclusion from registration under the U.S. Securities Act (which may, without limitation, include an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation) as the Corporation may reasonably require; (C) the transfer is made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by (i) Rule 144A thereunder, if available, or (ii) Rule 144 thereunder, if available, and in each case in accordance with any applicable state securities or "blue sky" laws; (D) the transfer is in compliance with another exemption from registration under the U.S. Securities Act and applicable state securities laws; or (E) the transfer is made pursuant to an effective registration statement under the U.S. Securities Act and any applicable state securities laws; provided that, it has prior to any transfer pursuant to Sections 2.12(b)(C)(ii) or 2.12(b)(D) furnished to the Warrant Agent and the Corporation an opinion of counsel or other evidence in form and substance reasonably satisfactory to the Corporation to such effect. In relation to a transfer under (C)(ii) or (D) above, unless the Corporation and the Warrant Agent receive an opinion of counsel, of recognized standing, or other

evidence reasonably satisfactory to the Corporation in form and substance, to the effect that the U.S. Legend set forth in subsection 2.8(a) is no longer required on the Warrant Certificates representing the transferred Warrants, the Warrant Certificates received by the transferee will continue to bear the U.S. Legend set forth in Section 2.8(a).

(c) Subject to the provisions of this Indenture, Applicable Legislation and applicable law, the Warrantholder shall be entitled to the rights and privileges attaching to the Warrants, and the issue of Common Shares by the Corporation upon the exercise of Warrants in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Warrants, and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder.

2.13 Cancellation of Surrendered Warrants.

All Warrant Certificates surrendered pursuant to Article 3 or transferred or exchanged pursuant to Article 2 shall be cancelled by the Warrant Agent, and, upon such circumstances, all such Uncertificated Warrants shall be deemed cancelled and so noted on the register by the Warrant Agent. Upon request by the Corporation, the Warrant Agent shall furnish to the Corporation a cancellation certificate identifying the Warrant Certificates so cancelled, the number of Warrants evidenced thereby, the number of Common Shares, if any, issued pursuant to such Warrants and the details of any Warrant Certificates issued in substitution or exchange for such Warrant Certificates cancelled.

ARTICLE 3
EXERCISE OF WARRANTS

3.1 Right of Exercise.

Subject to the provisions hereof, each Warrantholder may exercise the right conferred on such holder to subscribe for and purchase one (1) Common Share for each Warrant after the Issue Date and prior to the Expiry Time, subject to adjustment, and in accordance with the conditions herein; provided, however, that such exercise must be permitted under the U.S. Securities Act and under any applicable United States state securities laws.

3.2 Warrant Exercise.

(a) Holders of Certificated Warrants who wish to exercise the Warrants held by them in order to acquire Common Shares must, if permitted pursuant to the terms and conditions hereunder and as set forth in any applicable legend, complete the exercise form (the "**Exercise Notice**") attached to the Warrant Certificate(s) which form is attached hereto as Schedule "B", which may be amended by the Corporation with the consent of the Warrant Agent, if such amendment does not, in the reasonable opinion of the Corporation and the Warrant Agent, which may be based on the advice of Counsel, materially and adversely affect the rights, entitlements and interests of the Warrantholders, and deliver such certificate(s), the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant

Agent at the Warrant Agency. The Warrants represented by a Warrant Certificate shall be deemed to be surrendered upon personal delivery of such certificate, Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

(b) In addition to completing the Exercise Notice attached to the Warrant Certificate(s), a Warrantholder (other than an Original U.S. Warrantholder) who is (i) in the United States, (ii) a U.S. Person, (iii) a person exercising such Warrants for the account or benefit of a U.S. Person or a person in the United States, (iv) executing or delivering the Exercise Notice attached as Schedule "B" hereto in the United States, or (v) requesting delivery in the United States of the Warrant Shares, must provide an opinion of counsel of recognized standing or other evidence, in form and substance reasonably satisfactory to the Corporation, that the exercise is exempt from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States.

(c) A Warrantholder evidenced by a security entitlement in respect of Warrants must complete the Exercise Notice and deliver the executed Exercise Notice and a certified cheque, bank draft or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency. The Uncertificated Warrants shall be deemed to be surrendered upon receipt of the Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

(d) A beneficial owner of Warrants issued in uncertificated form evidenced by a security entitlement in respect of Warrants in the book entry registration system who desires to exercise his or her Warrants must do so by causing a Book Entry Only Participant to deliver to the Depository on behalf of the entitlement holder, notice of the owner's intention to exercise Warrants in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, as well as payment for the aggregate Exercise Price, the Depository shall deliver to the Warrant Agent confirmation of its intention to exercise Warrants (a "**Confirmation**") in a manner acceptable to the Warrant Agent, including by electronic means through a book based registration system, including CDSX. An electronic exercise of the Warrants initiated by the Book Entry Only Participant through a book based registration system, including CDSX, shall constitute a representation to both the Corporation and the Warrant Agent that the beneficial owner at the time of exercise of such Warrants either: (i) (A) is not in the United States; (B) is not a U.S. Person and is not exercising such Warrants on behalf of a U.S. Person or a person in the United States; (C) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of a U.S. Person or a person in the United States; (D) did not receive an offer to exercise the Warrant in the United States; (E) did not execute or deliver the notice of the owner's intention to exercise such Warrants in the United States; and (F) has, in all other respects, complied with the terms of Regulation S in connection with such exercise; or (ii) is an Original U.S. Warrantholder that is a Qualified Institutional Buyer.

If the Book Entry Only Participant is not able to make or deliver either the representations in Section 3.2(d) or the representations in Section 3.2(b) by initiating the electronic exercise of the Warrants, then (a) such Warrants shall be withdrawn from the book based registration system, including CDSX, by the Book Entry Only Participant; (b) an individually registered Warrant Certificate shall be issued by the Warrant Agent to such beneficial owner or Book Entry Only Participant and (c) the exercise procedures set forth in Section 3.2(a) shall be followed.

(e) Payment representing the aggregate Exercise Price must be provided to the appropriate office of the Book Entry Only Participant in a manner acceptable to it. A notice in form acceptable to the Book Entry Only Participant and payment from such beneficial holder should be provided to the Book Entry Only Participant sufficiently in advance so as to permit the Book Entry Only Participant to deliver notice and payment to the Depository and for the Depository in turn to deliver notice and payment to the Warrant Agent prior to Expiry Time. The Depository will initiate the exercise by way of the Confirmation and forward the aggregate Exercise Price electronically to the Warrant Agent for prompt onward payment by the Warrant Agent to the Corporation which the Warrant Agent will promptly pay to the Corporation, and the Warrant Agent will execute the exercise by issuing to the Depository through the book entry registration system the Common Shares to which the exercising beneficial owner is entitled pursuant to the exercise. Any expense associated with the exercise process will be for the account of the entitlement holder exercising the Warrants and/or the Book Entry Only Participant exercising the Warrants on its behalf.

(f) By causing a Book Entry Only Participant to deliver notice to the Depository, a beneficial owner shall be deemed to have irrevocably surrendered his or her Warrants so exercised and appointed such Book Entry Only Participant to act as his or her exclusive settlement agent with respect to the exercise of the Warrants and the receipt of Common Shares in connection with the obligations arising from such exercise.

(g) Any notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect, and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Book Entry Only Participant to exercise or to give effect to the settlement thereof in accordance with the beneficial owner's instructions will not give rise to any obligations or liability on the part of the Corporation or Warrant Agent to the Book Entry Only Participant or the beneficial owner.

(h) Any exercise form or Exercise Notice referred to in this Section 3.2 shall be signed by the Warrantholder, or its executors or administrators or other legal representatives or an attorney of the Warrantholder, duly appointed by an instrument in writing satisfactory to the Warrant Agent, but such exercise form need not be executed by the Depository.

(i) Any exercise referred to in this Section 3.2 shall require that the entire Exercise Price for Common Shares subscribed must be paid at the time of subscription, and such Exercise Price and original Exercise Notice executed by the Warrantholder or the Confirmation from the Depository must be received by the Warrant Agent prior to the Expiry Time.

(j) Notwithstanding the foregoing in this Section 3.2, Warrants may only be exercised pursuant to this Section 3.2 by or on behalf of a Warrantholder, as applicable, who makes the certifications set forth on the Exercise Notice set out in Schedule "B" or as provided herein.

(k) If the form of Exercise Notice set forth in the Warrant Certificate shall have been amended, the Corporation shall cause the amended Exercise Notice to be forwarded to all Warrantholders.

(l) Exercise Notices and Confirmations must be delivered to the Warrant Agent at any time during the Warrant Agent's actual business hours on any Business Day prior to the Expiry Time. Any Exercise Notice or Confirmations received by the Warrant Agent after business hours on any Business Day other than the Expiry Date will be deemed to have been received by the Warrant Agent on the next following Business Day.

(m) Any Warrant with respect to which an Exercise Notice or Confirmation is not received by the Warrant Agent before the Expiry Time shall be deemed to have expired and become void and all rights with respect to such Warrants shall terminate and be cancelled.

3.3 U.S. Restrictions.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Warrants may not be exercised within the United States by or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States unless an exemption from such registration requirements is available.

(a) Warrants may not be exercised except in compliance with the requirements set forth herein, in the Warrant Certificate hereto and in the Exercise Notice attached thereto.

(b) Warrant Shares issued upon the exercise of any Certificated Warrant (and each certificate issued in exchange therefor or in substitution thereof) (i) which bears the U.S. Legend set forth in Section 2.8(a), or (ii) other than pursuant to Box A of the Exercise Notice attached as Schedule "B" hereto shall be issued in certificated form and, upon such issuance, shall bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE

INC. (THE "**CORPORATION**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided that, if any such Warrant Shares are being sold outside the United States in compliance with Rule 904 of Regulation S and in compliance with applicable local securities laws and regulations, the legend set forth above may be removed by providing a declaration to the Corporation's registrar and transfer agent and to the Corporation in the form set forth in Schedule "C" or as the Corporation may prescribe from time to time, or such other evidence which may include an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation; provided further, that, if any such Warrant Shares are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or in another transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the legend may be removed by delivery to the registrar and transfer agent of the Corporation and to the Corporation of an opinion of counsel, of recognized standing, reasonably satisfactory to the Corporation, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws.

(c) Notwithstanding anything to the contrary contained herein or in any Warrant or other agreement or instrument, the Corporation shall be entitled to cause a U.S. restrictive legend to be affixed to, or marked with respect to, any Warrant Shares issued upon exercise of Warrants at such time as the Corporation is not a "foreign issuer" (as defined in Regulation S) in the event that the Corporation determines that such affixing or marking of a U.S. restrictive legend is then necessary to comply with U.S. securities laws.

3.4 Transfer Fees and Taxes.

If any of the Common Shares subscribed for are to be issued to a person or persons other than the Warrantholder, the Warrantholder shall execute the form of transfer and will comply with such reasonable requirements as the Warrant Agent may stipulate and will pay to the Corporation or the Warrant Agent on behalf of the Corporation, all applicable transfer or similar taxes, and the Corporation will not be required to issue or deliver certificates evidencing Common Shares unless or until such Warrantholder shall have paid to the Corporation, or the Warrant Agent on behalf of the Corporation, the amount of such tax or shall have established to the satisfaction of the Corporation and the Warrant Agent that such tax has been paid or that no tax is due.

3.5 Warrant Agency.

To facilitate the exchange, transfer or exercise of Warrants and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the Warrant Agency, as the agency at which Warrants may be surrendered for exchange or transfer or at which Warrants may be exercised, and the Warrant Agent has accepted such appointment. The Corporation may, from time to time, designate alternate or additional places as the Warrant Agency (subject to the Warrant Agent's prior approval) and will give notice to the Warrant Agent of any proposed change of the Warrant Agency. Branch registers shall also be kept at such other place or places, if any, as the Corporation, with the approval of the Warrant Agent, may designate. The Warrant Agent will, from time to time, when requested to do so by the Corporation or any Warrantholder and upon payment of the Warrant Agent's reasonable charges, furnish a list of the names and addresses of Warrantholders showing the number of Warrants held by each such Warrantholder.

3.6 Effect of Exercise of Warrant Certificates.

(a) Upon the exercise of Warrants pursuant to and in compliance with Section 3.2 and subject to Section 3.3 and Section 3.4, the Common Shares to be issued pursuant to the Warrants exercised shall be deemed to have been issued, and the person or persons to whom such Common Shares are to be issued shall be deemed to have become the holder or holders of such Common Shares on the Exercise Date unless the register shall be closed on such date, in which case the Common Shares subscribed for shall be deemed to have been issued and such person or persons deemed to have become the holder or holders of record of such Common Shares, on the date on which such register is reopened. It is hereby understood that, in order for persons to whom Common Shares are to be issued, to become holders of Common Shares of record on the Exercise Date, beneficial holders must commence the exercise process sufficiently in advance so that the Warrant Agent is in receipt of all items of exercise at least one Business Day prior to such Exercise Date.

(b) As soon as practicable, and in any event no later than within five Business Days after the Exercise Date with respect to a Warrant, the Warrant Agent shall cause to be delivered or mailed to the person or persons in whose name or names the Warrant is registered or, if so specified in writing by the holder, cause to be delivered to such person or persons at the Warrant Agency where the Warrant Certificate was surrendered, a certificate or certificates for the appropriate number of Common Shares subscribed for, or any other appropriate evidence of the issuance of Common Shares to such person or persons in respect of Common Shares issued under the book entry registration system.

3.7 Partial Exercise of Warrants; Fractions.

(a) The holder of any Warrants may exercise his right to acquire a number of whole Common Shares less than the aggregate number that the holder is entitled to acquire. In the event of any exercise of a number of Warrants less than the number that the holder is entitled to exercise, the holder of Warrants upon such exercise shall, in addition, be entitled to receive, without charge therefor, one or more new Warrant Certificates, bearing the same legend, if applicable, or other appropriate evidence of Warrants, in respect of the balance of the Warrants held by such holder and which were not then exercised.

(b) Notwithstanding anything herein contained including any adjustment provided for in Section 4.1, no fractional Common Shares will be issuable upon any exercise of any Warrant, and the holder of such Warrant will not be entitled to any cash payment or compensation in lieu of a fractional Common Share. Warrants may only be exercised in a sufficient number to acquire whole numbers of Common Shares. Any fractional Common Shares shall be rounded down to the nearest whole number.

3.8 Expiration of Warrants.

Immediately after the Expiry Time, all rights under any Warrant in respect of which the right of acquisition provided for herein shall not have been exercised shall cease and terminate, and each Warrant shall be void and of no further force or effect.

3.9 Accounting and Recording.

(a) The Warrant Agent shall promptly account to the Corporation with respect to Warrants exercised, and shall promptly forward to the Corporation (or into an account or accounts of the Corporation with the bank or trust company designated by the Corporation for that purpose), all monies received by the Warrant Agent on the subscription of Common Shares through the exercise of Warrants. All such monies and any securities or other instruments, from time to time received by the Warrant Agent, shall be received as agent for, and shall be segregated and kept apart by the Warrant Agent, the Warrantholders and the Corporation as their interests may appear.

(b) The Warrant Agent shall record the particulars of Warrants exercised, which particulars shall include the names and addresses of the persons who become holders of Common Shares on exercise and the Exercise Date, in respect thereof. The Warrant Agent shall provide such particulars in writing to the Corporation and to its registrar and transfer agent for its Common Shares within five Business Days of any request by the Corporation therefor.

3.10 Securities Restrictions.

Notwithstanding anything herein contained, Common Shares will be issued upon exercise of a Warrant only in compliance with the securities laws of any applicable jurisdiction.

ARTICLE 4
ADJUSTMENT OF NUMBER OF COMMON SHARES AND EXERCISE PRICE

4.1 Adjustment of Number of Common Shares and Exercise Price.

The subscription rights in effect under the Warrants for Common Shares issuable upon the exercise of the Warrants shall be subject to adjustment, from time to time, as follows:

(a) if, at any time during the Adjustment Period, the Corporation shall:

(i) subdivide, re-divide or change its outstanding Common Shares into a greater number of Common Shares;

(ii) reduce, combine or consolidate its outstanding Common Shares into a lesser number of Common Shares; or

(iii) issue Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Warrants or any outstanding options);

(any of such events in Section 4.1(a)(i), (ii) or (iii) being called a "**Common Share Reorganization**"), then the Exercise Price shall be adjusted as of the effective date or record date of such subdivision, re-division, change, reduction, combination, consolidation or distribution, as the case may be, shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the effective date or record date after giving effect to such Common Shares Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Share that would have been outstanding had such securities been exchanged for or converted into Common Shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in this Section 4.1(a) shall occur. Upon any adjustment of the Exercise Price pursuant to Section 4.1(a), the Exchange Rate shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(b) if and whenever, at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the Current Market Price on such record date (a "**Rights Offering**"), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable; any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(b), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that, if two or more such record dates or record dates referred to in this Section 4.1(b) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates;

(c) if and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of: (i) securities of any class, whether of the Corporation or any other person (other than Common Shares); (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities

convertible into or exchangeable for Common Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness; or (iv) any other property or other assets, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the Corporation (whose determination shall be conclusive), subject to any required stock exchange approval, of such securities or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Common Shares, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price; and Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(c), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(d) if and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 4.1(a) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership, limited liability company or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership, limited liability company or other entity, any Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Common Shares that prior to such effective date the Warrantholder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership, limited liability company or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Warrantholder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Warrantholder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Warrant

Agent, relying on advice of Counsel, to give effect to or to evidence the provisions of this Section 4.1(d), the Corporation, its successor, or such purchasing body corporate, partnership, limited liability company, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Warrantholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Warrant Agent pursuant to the provisions of this Section 4.1(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 8 hereof. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, limited liability company, trust or other entity and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1 and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances;

(e) in any case in which this Section 4.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Warrantholder of any Warrant exercised after the record date and prior to completion of such event the additional Common Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such Warrantholder an appropriate instrument evidencing such Warrantholder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of exercise or such later date as such Warrantholder would, but for the provisions of this Section 4.1(e), have become the holder of record of such additional Common Shares pursuant to Section 4.1;

(f) in any case in which Section 4.1(a)(iii), Section 4.1(b) or Section 4.1(c) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Warrantholders of the outstanding Warrants receive, subject to any required stock exchange or regulatory approval, the rights or warrants referred to in Section 4.1(a)(iii), Section 4.1(b) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in Section 4.1(c), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrant having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be;

(g) the adjustments provided for in this Section 4.1 are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.1, provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect and no change in the number of Common Shares issuable upon exercise of the Warrants shall be required unless such adjustment would require adjustment by at least one one-hundredth of a Common Share, as applicable; provided, however, that any adjustments that, by reason of this Section 4.1(g), are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and

(h) after any adjustment pursuant to this Section 4.1, the term "**Common Shares**" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Warrantholder is entitled to receive upon the exercise of his Warrant, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or securities a Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full exercise of a Warrant.

4.2 Entitlement to Common Shares on Exercise of Warrant.

All Common Shares or shares of any class or other securities, which a Warrantholder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be Common Shares that such Warrantholder is entitled to acquire pursuant to such Warrant.

4.3 No Adjustment for Certain Transactions.

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Indenture or in connection with: (a) any share incentive plan or restricted share plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; (b) the satisfaction of existing instruments issued at the date hereof; or (c) payment of Dividends in the ordinary course.

4.4 Determination by Independent Firm.

In the event of any question arising with respect to the adjustments provided for in this Article 4, such question shall be conclusively determined by an independent firm of chartered professional accountants (other than the Auditors), who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Warrant Agent, all holders and all other persons interested therein.

4.5 Proceedings Prior to any Action Requiring Adjustment.

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of Counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Common Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

4.6 Certificate of Adjustment.

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 4.1, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of the Corporation's Auditors verifying such calculation. The Warrant Agent shall rely, and shall be protected in so doing, upon the certificate of the Corporation or of the Corporation's Auditor and any other document filed by the Corporation pursuant to this Article 4 for all purposes.

4.7 Notice of Special Matters.

The Corporation covenants with the Warrant Agent that, so long as any Warrant remains outstanding, it will give notice to the Warrant Agent and to the Warrantholders of its intention to fix a record date that is prior to the Expiry Date for any matter for which an adjustment may be required pursuant to Section 4.1. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The Corporation shall use its reasonable commercial efforts to give such notice not less than 14 days prior to such applicable record date. If notice has been given and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable, file with the Warrant Agent a computation of the adjustment and give notice to the Warrantholders of such adjustment computation.

4.8 No Action after Notice.

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which would deprive the Warrantholder of the opportunity to exercise its right of acquisition pursuant thereto during the period of 14 days after the giving of the certificate or notices set forth in Section 4.6 and Section 4.7.

4.9 Other Action.

If the Corporation, after the date hereof, shall take any action affecting the Common Shares (other than action described in Section 4.1), which in the reasonable opinion of the directors of the Corporation, would materially affect the rights of Warrantholders, the Exercise Price and/or the Exchange Rate, the number of Common Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting

reasonably and in good faith, in their sole discretion, as they may determine to be equitable to the Warrantholders in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Common Shares are listed for trading has been obtained.

4.10 Protection of Warrant Agent.

The Warrant Agent shall not:

(a) at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any other securities or property which may, at any time, be issued or delivered upon the exercise of the rights attaching to any Warrant;

(c) be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates for the same upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article; and

(d) incur any liability or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Corporation.

4.11 Participation by Warrantholder.

No adjustments shall be made pursuant to this Article 4 if the Warrantholders are entitled to participate in any event described in this Article 4 on the same terms, mutatis mutandis, as if the Warrantholders had exercised their Warrants prior to, or on the effective date or record date of, such event.

ARTICLE 5
RIGHTS OF THE CORPORATION AND COVENANTS

5.1 Optional Purchases by the Corporation.

Subject to compliance with applicable securities legislation and approval of applicable regulatory authorities, if any, the Corporation may, from time to time purchase, by private contract or otherwise any of the Warrants with the consent of the holders of such Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors, such Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. In the case of Certificated Warrants, Warrant Certificates representing the Warrants purchased pursuant to this Section 5.1 shall forthwith be delivered to and cancelled by the Warrant Agent and reflected accordingly on the register of Warrants. In the case of Uncertificated Warrants, the Warrants purchased pursuant to this Section 5.1 shall be reflected accordingly on the register of

Warrants and in accordance with procedures prescribed by the Depository under the book entry registration system or, with respect to Uncertificated Warrants represented by a DRS Advice, reflected on the register of Warrants and in accordance with the procedures of the Warrant Agent for its DRS. No Warrants shall be issued in replacement thereof.

5.2 General Covenants.

The Corporation covenants with the Warrant Agent that, so long as any Warrants remain outstanding:

(a) it will reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Warrants;

(b) it will cause the Common Shares from time to time acquired pursuant to the exercise of the Warrants to be duly issued and delivered in accordance with the Warrants and the terms hereof;

(c) all Common Shares which shall be issued upon exercise of the right to acquire provided for herein shall be fully paid and non-assessable;

(d) it will use reasonable commercial efforts to maintain its existence and carry on its business in the ordinary course;

(e) it will use reasonable commercial efforts to ensure that all Common Shares outstanding or issuable from time to time (including without limitation the Common Shares issuable on the exercise of the Warrants) continue to be or are listed and posted for trading on the NEO or CSE (or such other stock exchange acceptable to the Corporation), provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the NEO or CSE, so long as the holders of Common Shares receive securities of an entity that is listed on a stock exchange in Canada or the United States, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the NEO, CSE or other stock exchange on which the Common Shares are trading;

(f) it will make all requisite filings under applicable Canadian securities legislation including those necessary to remain a reporting issuer not in default in each of the provinces and other Canadian jurisdictions where it is or becomes a reporting issuer for a period of 24 months after the Effective Date, provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the NEO or CSE (or such other Canadian stock exchange acceptable to the Corporation), so long as the holders of Common Shares receive securities of an entity that is listed on a stock exchange in Canada or the United States, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the NEO, CSE or other Canadian stock exchange on which the Common Shares are trading;

(g) the Corporation will promptly notify the Warrant Agent and the Warrantholders in writing of any default under the terms of this Warrant Indenture which remains unrectified for more than ten days following its occurrence;

(h) the Corporation will generally perform and carry out all of the acts or things to be done by it as provided in this Warrant Indenture.

5.3 Warrant Agent's Remuneration and Expenses.

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of the duties hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Warrant Agent against unpaid invoices and shall be payable upon demand. This Section shall survive the resignation or removal of the Warrant Agent and/or the termination of this Indenture.

5.4 Performance of Covenants by Warrant Agent.

If the Corporation fails to perform any of its covenants contained in this Indenture, the Warrant Agent may notify the Warrantholders of such failure on the part of the Corporation and may itself perform any of the covenants capable of being performed by it but, subject to Section 9.2, shall be under no obligation to perform said covenants or to notify the Warrantholders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 5.3. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

5.5 Enforceability of Warrants.

The Corporation covenants and agrees that it is duly authorized to create and issue the Warrants to be issued hereunder and that the Warrants, when issued and Authenticated as herein provided, will be valid and enforceable against the Corporation in accordance with the provisions hereof and the terms hereof and that, subject to the provisions of this Indenture, the Corporation will cause the Common Shares from time to time acquired upon exercise of Warrants issued under this Indenture to be duly issued and delivered in accordance with the terms of this Indenture.

ARTICLE 6
ENFORCEMENT

6.1 Suits by Warrantholders.

All or any of the rights conferred upon any Warrantholder by any of the terms of this Indenture may be enforced by the Warrantholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Warrantholders.

6.2 Suits by the Corporation.

The Corporation shall have the right to enforce full payment of the Exercise Price of all Common Shares issued by the Warrant Agent to a Warrantholder hereunder and shall be entitled to demand such payment from the Warrantholder or alternatively to instruct the Warrant Agent to cancel the share certificates and amend the securities register accordingly.

6.3 Immunity of Shareholders, etc.

The Warrant Agent and the Warrantholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, trustee, director, officer, employee or agent of the Corporation or any successor entity on any covenant, agreement, representation or warranty by the Corporation herein.

6.4 Waiver of Default.

Upon the happening of any default hereunder:

(a) the holders of not less than 51% of the Warrants then outstanding shall have power (in addition to the powers exercisable by Extraordinary Resolution) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or

(b) the Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, on the advice of Counsel, if, in the Warrant Agent's opinion, based on the advice of Counsel, the same shall have been cured or adequate provision made therefor;

provided that no delay or omission of the Warrant Agent or of the Warrantholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or of the Warrantholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

ARTICLE 7
MEETINGS OF WARRANTHOLDERS

7.1 Right to Convene Meetings.

The Warrant Agent may, at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Warrantholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Warrantholders signing such Warrantholders' Request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Warrantholders. If the Warrant Agent fails to so call a meeting within seven days after receipt of such written request of the Corporation or such Warrantholders' Request and the indemnity and funding given as aforesaid, the Corporation or such Warrantholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Vancouver, British Columbia or at such other place as may be mutually approved or determined by the Warrant Agent and the Corporation.

7.2 Notice.

At least 21 days' prior written notice of any meeting of Warrantholders shall be given to the Warrantholders in the manner provided for in Section 10.2 and a copy of such notice shall be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Warrantholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Section 7.2.

7.3 Chairman.

An individual (who need not be a Warrantholder) designated in writing by the Warrant Agent and the Corporation shall be chairman of the meeting and, if no individual is so designated, or if the individual so designated is not present within fifteen minutes from the time fixed for the holding of the meeting, the Warrantholders present in person or by proxy shall choose an individual present to be chairman.

7.4 Quorum.

Subject to the provisions of Section 7.11, at any meeting of the Warrantholders a quorum shall consist of Warrantholder(s) present in person or by proxy holding at least 10% of the aggregate of all the then outstanding Warrants. If a quorum of the Warrantholders shall not be present within thirty minutes from the time fixed for holding any meeting, the meeting, if summoned by Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the

Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not hold at least 10% of all the then outstanding Warrants.

7.5 Power to Adjourn.

The chairman of any meeting at which a quorum of the Warrantholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

7.6 Show of Hands.

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands, except that votes on an Extraordinary Resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

7.7 Poll and Voting.

(a) On every Extraordinary Resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Warrantholders acting in person or by proxy and holding in the aggregate at least 5% of all the Warrants then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by Extraordinary Resolution shall be decided by a majority of the votes cast on the poll.

(b) On a show of hands, every person who is present and entitled to vote, whether as a Warrantholder or as proxy for one or more absent Warrantholders, or both, shall have one vote. On a poll, each Warrantholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Warrant then held or represented by it. A proxy need not be a Warrantholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants, if any, held or represented by him.

7.8 Regulations.

(a) The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make and from time to time vary such regulations as it shall think fit for the setting of the record date for a meeting for the purpose of determining Warrantholders entitled to receive notice of and to vote at the meeting.

(b) Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Warrantholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), shall be Warrantholders or proxies of Warrantholders.

7.9 Corporation and Warrant Agent May be Represented.

The Corporation and the Warrant Agent, by their respective directors, officers, agents, and employees and the Counsel for the Corporation and for the Warrant Agent may attend any meeting of the Warrantholders.

7.10 Powers Exercisable by Extraordinary Resolution.

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Warrantholders at a meeting shall, subject to the provisions of Section 7.11, have the power exercisable from time to time by Extraordinary Resolution:

(a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Warrantholders or the Warrant Agent in its capacity as warrant agent hereunder (subject to the Warrant Agent's prior consent, acting reasonably) or on behalf of the Warrantholders against the Corporation whether such rights arise under this Indenture or otherwise;

(b) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Warrantholders;

(c) to direct or to authorize the Warrant Agent, subject to Section 9.2(b) hereof, to enforce any of the covenants on the part of the Corporation contained in this Indenture or to enforce any of the rights of the Warrantholders in any manner specified in such Extraordinary Resolution or to refrain from enforcing any such covenant or right;

(d) to waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture either unconditionally or upon any conditions specified in such Extraordinary Resolution;

(e) to restrain any Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or to enforce any of the rights of the Warrantholders;

(f) to direct any Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Warrantholder in connection therewith;

(g) to assent to any change in or omission from the provisions contained in this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;

(h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Warrant Agent or its successor in office and to appoint a new warrant agent or warrant agents to take the place of the Warrant Agent so removed; and

(i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

7.11 Meaning of Extraordinary Resolution.

(a) The expression "Extraordinary Resolution" when used in this Indenture means, subject as hereinafter provided in this Section 7.11 and in Section 7.14, a resolution: (i) proposed at a meeting of Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Warrantholders holding at least 10% of the aggregate number of then outstanding Warrants and passed by the affirmative votes of Warrantholders holding not less than 66 2/3% of the aggregate number of then outstanding Warrants at the meeting and voted on the poll upon such resolution; or (ii) in writing signed by the holders of at least 66 2/3% of the then outstanding Warrants on any matter that would otherwise be voted upon at a meeting called to approve such resolution as contemplated in Section 7.11(a)(i).

(b) If, at the meeting at which an Extraordinary Resolution is to be considered, Warrantholders holding at least 10% of the aggregate number of then outstanding Warrants are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Warrantholders or on a Warrantholders' Request, shall be dissolved, but, in any other case, it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 14 days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice shall state that at the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 7.11(a) shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that Warrantholders holding at least 10% of the aggregate number of then outstanding Warrants are not present in person or by proxy at such adjourned meeting.

(c) Subject to Section 7.14, votes on an Extraordinary Resolution shall always be given on a poll, and no demand for a poll on an Extraordinary Resolution shall be necessary.

7.12 Powers Cumulative.

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Warrantholders by Extraordinary Resolution or otherwise may be exercised from time to time, and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Warrantholders to exercise such power or powers or combination of powers then or thereafter from time to time.

7.13 Minutes.

Minutes of all resolutions and proceedings at every meeting of Warrantholders shall be made and duly entered in books to be provided from time to time for that purpose by the Warrant Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

7.14 Instruments in Writing.

All actions that may be taken and all powers that may be exercised by the Warrantholders at a meeting held as provided in this Article 7 may also be taken and exercised by Warrantholders holding not less than 66 2/3% of the aggregate number of all of the then outstanding Warrants by an instrument in writing signed in one or more counterparts by such Warrantholders in person or by attorney duly appointed in writing, and the expression "**Extraordinary Resolution**" when used in this Indenture shall include an instrument so signed.

7.15 Binding Effect of Resolutions.

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 7 at a meeting of Warrantholders shall be binding upon all the Warrantholders, whether present at or absent from such meeting, and every instrument in writing signed by Warrantholders in accordance with Section 7.14 shall be binding upon all the Warrantholders, whether signatories thereto or not, and each and every Warrantholder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

7.16 Holdings by Corporation Disregarded.

In determining whether Warrantholders holding Warrants evidencing the required number of Warrants are present at a meeting of Warrantholders for the purpose of determining a quorum or have concurred in any consent, waiver, Extraordinary Resolution, Warrantholders' Request or other action under this Indenture, Warrants owned legally or beneficially by the Corporation shall be disregarded in accordance with the provisions of Section 10.7.

ARTICLE 8
SUPPLEMENTAL INDENTURES

8.1 Provision for Supplemental Indentures for Certain Purposes.

From time to time, the Corporation (when authorized by action of the directors) and the Warrant Agent may, subject to NEO and CSE approval (if required) and the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their

proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

(a) setting forth any adjustments resulting from the application of the provisions of Article 4;

(b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Warrantholders;

(c) giving effect to any Extraordinary Resolution passed as provided in Section 7.11;

(d) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Warrantholders;

(e) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrants, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;

(f) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Warrant Agent, relying on the advice of Counsel, such modification or relief in no way prejudices any of the rights of the Warrantholders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative;

(g) providing for the issuance of additional Warrants hereunder, including Warrants in excess of the number set out in Section 2.1 and any consequential amendments hereto as may be required by the Warrant Agent relying on the advice of Counsel; and

(h) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Warrant Agent, relying on the advice of Counsel, the rights of the Warrant Agent and of the Warrantholders are in no way prejudiced thereby.

8.2 Successor Entities.

In the case of the consolidation, amalgamation, arrangement, merger or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to or with another entity ("**successor entity**"), the successor entity resulting from such consolidation, amalgamation, arrangement, merger or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Warrant Agent acting reasonably and executed and delivered to the Warrant Agent, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

ARTICLE 9
CONCERNING THE WARRANT AGENT

9.1 Indenture Legislation.

(a) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.

(b) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

9.2 Rights and Duties of Warrant Agent.

(a) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall act honestly and in good faith and exercise that degree of care, diligence and skill that a reasonably prudent warrant agent would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Warrant Agent from liability for its own grossly negligent action, willful misconduct, bad faith or fraud.

(b) The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Warrantholders hereunder shall be conditional upon the Warrantholders furnishing, when required by notice by the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent and its officers, directors, employees and agents, against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.

(c) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Warrantholders, at whose instance it is acting to deposit with the Warrant Agent the Warrant Certificates held by them, for which Warrants the Warrant Agent shall issue receipts.

(d) Every provision of this Indenture that, by its terms, relieves the Warrant Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Applicable Legislation.

9.3 Evidence, Experts and Advisers.

(a) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.

(b) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to a request of the Warrant Agent, provided that such evidence complies with Applicable Legislation and that the Warrant Agent complies with Applicable Legislation and that the Warrant Agent examines the same and determines that such evidence complies with the applicable requirements of this Indenture.

(c) Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.

(d) The Warrant Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel, and shall not be responsible for any misconduct or gross negligence on the part of any such experts or advisers who have been appointed with due care by the Warrant Agent.

(e) The Warrant Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any Counsel, accountant, appraiser, engineer or other expert or adviser, whether retained or employed by the Corporation or by the Warrant Agent, in relation to any matter arising in the administration of the agency hereof.

9.4 Documents, Monies, etc. Held by Warrant Agent.

(a) Any monies, securities, documents of title or other instruments that may at any time be held by the Warrant Agent shall be placed in the deposit vaults of the Warrant Agent or of any Canadian chartered bank listed in Schedule I of the *Bank Act* (Canada), or deposited for safekeeping with any such bank. Any monies held pending the application or withdrawal thereof under any provisions of this Indenture, shall be held, invested and reinvested in "Permitted Investments" as directed in writing by the Corporation. "Permitted Investments" shall be treasury bills guaranteed by the Government of Canada having a term to maturity not to exceed ninety (90) days, or term deposits or bankers' acceptances of a Canadian chartered bank having a term to maturity not to exceed ninety (90) days, or such other investments that is in accordance with the Warrant Agent's standard type of investments. Unless otherwise specifically provided herein, all interest or other income received by the Warrant Agent in respect of such deposits and investments shall belong to the Corporation.

(b) Any written direction for the investment or release of funds received shall be received by the Warrant Agent by 9:00 a.m. (Vancouver Time) on the Business Day on which such investment or release is to be made, failing which such direction will be handled on a commercially reasonable efforts basis and may result in funds being invested or released on the next Business Day.

(c) The Warrant Agent shall have no responsibility or liability for any diminution of any funds resulting from any investment made in accordance with this Indenture, including any losses on any investment liquidated prior to maturity in order to make a payment required hereunder.

(d) In the event that the Warrant Agent does not receive a direction or only a partial direction, the Warrant Agent may hold cash balances constituting part or all of such monies and may, but need not, invest same in its deposit department, the deposit department of one of its affiliates, or the deposit department of a Canadian chartered bank; but the Warrant Agent, its affiliates or a Canadian chartered bank shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity.

9.5 Actions by Warrant Agent to Protect Interest.

The Warrant Agent shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Warrantholders.

9.6 Warrant Agent Not Required to Give Security.

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the agency and powers of this Indenture or otherwise in respect of the premises.

9.7 Protection of Warrant Agent.

By way of supplement to the provisions of any law for the time being relating to the Warrant Agent, it is expressly declared and agreed as follows:

(a) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representation contained in Section 9.9 or in the Authentication of the Warrant Agent on the Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;

(b) nothing herein contained shall impose any obligation on the Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;

(c) the Warrant Agent shall not be bound to give notice to any person or persons of the execution hereof;

(d) the Warrant Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of its covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation;

(e) the Corporation hereby indemnifies and agrees to hold harmless the Warrant Agent, its affiliates, their officers, directors, employees, agents, successors and assigns (the "**Indemnified Parties**") from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits, proceedings, costs, charges, assessments, judgments, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Indemnified Parties, or any of them, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties' duties, or any other services that Warrant Agent may provide in connection with or in any way relating to this Indenture. The Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that, notwithstanding any other provision of this Indenture, the Corporation shall not be required to hold harmless or indemnify the Indemnified Parties in the event of the gross negligence, bad faith, willful misconduct or fraud of the Warrant Agent or any Indemnified Party, and this provision shall survive the resignation or removal of the Warrant Agent or the termination or discharge of this Indenture; and

(f) notwithstanding the foregoing or any other provision of this Indenture, any liability of the Warrant Agent, other than arising as a result of the gross negligence, bad faith, willful misconduct or fraud of the Warrant Agent, shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Corporation to the Warrant Agent under this Indenture in the twelve (12) months immediately prior to the Warrant Agent receiving the first notice of the claim. Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Warrant Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

9.8 Replacement of Warrant Agent; Successor by Merger.

(a) The Warrant Agent may resign its agency and be discharged from all further duties and liabilities hereunder, subject to this Section 9.8, by giving to the Corporation not less than 60 days' prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Warrantholders by Extraordinary Resolution shall have power at any time to remove the existing Warrant Agent and to appoint a new warrant agent. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into

liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new warrant agent unless a new warrant agent has already been appointed by the Warrantholders; failing such appointment by the Corporation, the retiring Warrant Agent or any Warrantholder may apply to a judge of the Province of British Columbia on such notice as such judge may direct, for the appointment of a new warrant agent; but any new warrant agent so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Warrantholders. Any new warrant agent appointed under any provision of this Section 9.8 shall be an entity authorized to carry on the business of a trust company in the Province of British Columbia and, if required by the Applicable Legislation for any other provinces, in such other provinces. On any such appointment the new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent hereunder.

(b) Upon the appointment of a successor warrant agent, the Corporation shall promptly notify the Warrantholders thereof in the manner provided for in Section 10.2.

(c) Any Warrant Certificates Authenticated but not delivered by a predecessor Warrant Agent may be Authenticated by the successor Warrant Agent in the name of the predecessor or successor Warrant Agent.

(d) Any corporation into which the Warrant Agent may be merged or consolidated or amalgamated or to which all or substantially all of its business is sold, or any corporation resulting therefrom to which the Warrant Agent shall be a party, or any corporation succeeding to substantially the corporate trust business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as successor Warrant Agent under Section 9.8(a).

9.9 Conflict of Interest

The Warrant Agent represents to the Corporation that at the time of execution and delivery hereof no material conflict of interest exists between its role as a warrant agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 60 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its agency hereunder to a successor Warrant Agent approved by the Corporation and meeting the requirements set forth in Section 9.8(a)). Notwithstanding the foregoing provisions of this Section 9.9, if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Indenture and the Warrant Certificate shall not be affected in any manner whatsoever by reason thereof.

9.10 Acceptance of Agency

The Warrant Agent hereby accepts the agency in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth.

9.11 Warrant Agent Not to be Appointed Receiver.

The Warrant Agent and any person related to the Warrant Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

9.12 Authorization to Carry on Business

The Warrant Agent represents to the Corporation that as at the date of the execution and delivery of this Indenture, it is duly authorized and qualified to carry on the business of a trust company in the Province of British Columbia.

9.13 Warrant Agent Not Required to Give Notice of Default.

The Warrant Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and in the absence of any such notice the Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.

9.14 Anti-Money Laundering.

(a) Each party to this Agreement (other than the Warrant Agent) hereby represents to the Warrant Agent that any account to be opened by, or interest to be held by, the Warrant Agent in connection with this Agreement, for or to the credit of such party, either: (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Warrant Agent's prescribed form as to the particulars of such third party.

(b) The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti- money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten (10) days written notice to the other parties to this Agreement, provided: (i) that the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Warrant Agent's satisfaction within such ten (10) day period, then such resignation shall not be effective.

9.15 Compliance with Privacy Code.

The parties acknowledge that the Warrant Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(a) to provide the services required under this Indenture and other services that may be requested from time to time;

(b) to help the Warrant Agent manage its servicing relationships with such individuals;

(c) to meet the Warrant Agent's legal and regulatory requirements; and

(d) if Social Insurance Numbers are collected by the Warrant Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Warrant Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Indenture for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Warrant Agent shall make available on its website or upon request, including revisions thereto. The Warrant Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, each party agrees that it shall not provide or cause to be provided to the Warrant Agent any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

9.16 Securities Exchange Commission Certification.

The Corporation confirms that as at the date hereof it does not have a class of securities registered pursuant to Section 12 of the U.S. Exchange Act or a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act.

The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the U.S. Exchange Act, (ii) the Corporation shall incur a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act, or (iii) any such registration or reporting obligation shall be terminated by the Corporation in accordance with the U.S. Exchange Act, the Corporation shall promptly deliver to the Warrant Agent an officers' certificate notifying the Warrant Agent of such registration, reporting obligation or termination, and such other information as the Warrant Agent may reasonably require at the time. The Corporation acknowledges that the Warrant Agent is relying upon the foregoing representation and covenants in order to meet certain obligations of the Warrant Agent with respect to those clients of the Warrant Agent that are required to file reports with the SEC under the U.S. Exchange Act.

ARTICLE 10
GENERAL

10.1 Notice to the Corporation and the Warrant Agent.

(a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if delivered, sent by registered letter, postage prepaid or if emailed:

(i) If to the Corporation:

Columbia Care Inc.
680 Fifth Avenue, 24th Floor
New York, NY 10019 USA

Attention: Mary-Alice Miller, Chief Risk Officer
Email: mmiller@col-care.com

(ii) If to the Warrant Agent:

Odyssey Trust Company
323 – 409 Granville Street
Vancouver, British Columbia V6C 1T2

Attention: Corporate Trust
Email: corptrust@odysseytrust.com

and any such notice delivered in accordance with the foregoing shall be deemed to have been received and given on the date of delivery or, if mailed, on the fifth Business Day following the date of mailing such notice or, if transmitted by electronic means, on the next Business Day following the date of transmission.

(b) The Corporation or the Warrant Agent, as the case may be, may, from time to time, notify the other in the manner provided in Section 10.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.

(c) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed, as provided in Section 10.1(a), or given by email or other means of prepaid, transmitted and recorded communication.

10.2 Notice to Warrantholders.

(a) Unless otherwise provided herein, notice to the Warrantholders under the provisions of this Indenture shall be valid and effective if delivered or sent by ordinary prepaid post addressed to such holders at their post office addresses

appearing on the register hereinbefore mentioned and shall be deemed to have been effectively received and given on the date of delivery or, if mailed, on the third Business Day following the date of mailing such notice. In the event that Warrants are held in the name of the Depository, a copy of such notice shall also be sent by electronic communication to the Depository and shall be deemed received and given on the day it is so sent.

(b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to such Warrantholders to the address for such Warrantholders contained in the register maintained by the Warrant Agent or such notice may be given, at the Corporation's expense, by means of publication in the Globe and Mail, National Edition, or any other English language daily newspaper or newspapers of general circulation in Canada, in each two successive weeks, the first such notice to be published within 5 Business Days of such event, and any so notice published shall be deemed to have been received and given on the latest date the publication takes place.

(c) Accidental error or omission in giving notice or accidental failure to mail notice to any Warrantholder will not invalidate any action or proceeding founded thereon.

10.3 Ownership of Warrants.

The Corporation and the Warrant Agent may deem and treat the Warrantholders as the absolute owner thereof for all purposes, and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary, except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. The receipt of any such Warrantholder of the Common Shares which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Warrant Agent for the same and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

10.4 Counterparts and Electronic Means.

This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, they shall be deemed to be dated as of the date hereof. Delivery of an executed copy of this Indenture by facsimile, electronic transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Indenture as of the date hereof.

10.5 Satisfaction and Discharge of Indenture.

Upon the earlier of:

(a) the date by which there shall have been delivered to the Warrant Agent for exercise or cancellation all Warrants theretofore Authenticated hereunder, in the case of Certificated Warrants (or such other instructions, in a form satisfactory to the Warrant Agent) or, in the case of Uncertificated Warrants, by way of standard processing through the book entry only system in the case of a CDS Global Warrant; and

(b) the Expiry Time;

and if all certificates or other entry on the register representing Common Shares required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Warrant Agent in accordance with such provisions, this Indenture shall cease to be of further effect, and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

10.6 Provisions of Indenture and Warrants for the Sole Benefit of Parties and Warrantholders.

Nothing in this Indenture or in the Warrants, expressed or implied, shall give or be construed to give to any person, other than the parties hereto and the Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Warrantholders.

10.7 Warrants Owned by the Corporation - Certificate to be Provided.

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation in Section 7.16, the Corporation shall provide to the Warrant Agent, from time to time, a certificate of the Corporation setting forth as at the date of such certificate:

(a) the names (other than the name of the Corporation) of the Warrantholders which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation; and

(b) the number of Warrants owned legally or beneficially by the Corporation;

and the Warrant Agent, in making the computations in Section 7.16, shall be entitled to rely on such certificate without any additional evidence.

10.8 Severability

If, in any jurisdiction, any provision of this Indenture or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision will, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without (a) invalidating the remaining provisions of this Indenture, (b) affecting the validity or enforceability of such provision in any other jurisdiction or (c) affecting its application to other parties or circumstances.

10.9 Force Majeure

No party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

10.10 Assignment, Successors and Assigns

Neither of the parties hereto may assign its rights or interest under this Indenture, except as provided in (a) Section 9.8 in the case of the Warrant Agent or (b) Section 8.2 in the case of the Corporation. Subject thereto, this Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

10.11 Rights of Rescission and Withdrawal for Holders

Should a holder of Warrants exercise any legal, statutory, contractual or other right of withdrawal or rescission that may be available to it, and the holder's funds which were paid on exercise have already been released to the Corporation by the Warrant Agent, the Warrant Agent shall not be responsible for ensuring the exercise is cancelled and a refund is paid back to the holder. In such cases, the holder shall seek a refund directly from the Corporation and subsequently, the Corporation, upon surrender to the Corporation or the Warrant Agent of any underlying shares that may have been issued, or such other procedure as agreed to by the parties hereto, shall instruct the Warrant Agent in writing, to cancel the exercise transaction and any such underlying shares on the register, which may have already been issued upon the Warrant exercise. In the event that any payment is received from the Corporation by virtue of the holder being a shareholder for such Warrants that were subsequently rescinded, such payment must be returned to the Corporation by such holder. The Warrant Agent shall not be under any duty or obligation to take any steps to ensure or enforce that the funds are returned pursuant to this section, nor shall the Warrant Agent be in any other way responsible in the event that any payment is not delivered or received pursuant to this section. Notwithstanding the foregoing, in the event that the Corporation provides the refund to the Warrant Agent for distribution to the holder, the Warrant Agent shall return such funds to the holder as soon as reasonably practicable, and, in so doing, the Warrant Agent shall incur no liability with respect to the delivery or non-delivery of any such funds.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

COLUMBIA CARE INC.

By: /s/ Nicholas Vita
Name: Nicholas Vita
Title: Chief Executive Officer

By: /s/ Michael Abbott
Name: Michael Abbott
Title: Executive Chairman

ODYSSEY TRUST COMPANY

By: _____
Name: Dan Sander
Title: VP, Corporate Trust

By: _____
Name: Amy Douglas
Title: Director, Corporate Trust

IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers in that behalf as of the date first written above.

COLUMBIA CARE INC.

By: _____
Name: Nicholas Vita
Title: Chief Executive Officer

By: _____
Name: Michael Abbott
Title: Executive Chairman

ODYSSEY TRUST COMPANY

By: /s/ Dan Sander
Name: Dan Sander
Title: VP, Corporate Trust

By: /s/ Amy Douglas
Name: Amy Douglas
Title: Director, Corporate Trust

SCHEDULE "A"

FORM OF WARRANT

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE ON OR BEFORE 5:00 P.M. (VANCOUVER TIME) ON MAY 14, 2023 AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

For all Warrants issued outside the United States and to Original U.S. Warrantholders that are Qualified Institutional Buyers and registered in the name of the Depository, also include the following legend:

(**INSERT IF BEING ISSUED TO CDS**) UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("**CDS**") TO COLUMBIA CARE INC. (THE "**ISSUER**") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN, AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

For Warrants originally issued for the benefit or account of a U.S. Warrantholder (other than an Original U.S. Warrantholder that is a Qualified Institutional Buyer), and each Warrant Certificate issued in exchange therefor or in substitution thereof, also include the following legends:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF COLUMBIA CARE INC. (THE "**CORPORATION**"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY: (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN COMPLIANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION FROM COUNSEL OF RECOGNIZED STANDING IN FORM AND

SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

WARRANT

To acquire Common Shares of

COLUMBIA CARE INC.

(existing under the laws of the Province of British Columbia)

Warrant Certificate No.	Certificate for Warrants, each entitling the holder to acquire one (1) Common Share (subject to adjustment as provided for in the Warrant Indenture (as defined below)
	CUSIP ● [CAD] / ● [US]
	ISIN ● [CAD] / ● [US]

THIS IS TO CERTIFY THAT, for value received,

(the "**Warrantholder**") is the registered holder of the number of common share purchase warrants (the "**Warrants**") of Columbia Care Inc. (the "**Corporation**") specified above and is entitled, on exercise of these Warrants upon and subject to the terms and conditions set forth herein and in the Warrant Indenture, to purchase at any time before 5:00 p.m. (Vancouver Time) (the "**Expiry Time**") on May 14, 2023 (the "**Expiry Date**") one fully paid and non-assessable common share without par value in the capital of the Corporation as constituted on the date hereof (a "**Common Share**") for each Warrant, subject to adjustment in accordance with the terms of the Warrant Indenture.

The right to purchase Common Shares may only be exercised by the Warrantholder within the time set forth above by:

(a) duly completing and executing the exercise form (the "**Exercise Form**") attached hereto; and

(b) surrendering this warrant certificate (the "**Warrant Certificate**"), with the Exercise Form, to the Warrant Agent at the principal office of the Warrant Agent, in the city of Vancouver, British Columbia, together with a certified cheque, bank draft or money order in the lawful money of Canada payable to or to the order of the Corporation in an amount equal to the purchase price of the Common Shares so subscribed for.

The surrender of this Warrant Certificate, the duly completed Exercise Form and payment as provided above will be deemed to have been effected only on personal delivery thereof to, or if sent by mail or other means of transmission on actual receipt thereof by, the Warrant Agent at its principal office as set out above.

Subject to adjustment thereof in the events and in the manner set forth in the Warrant Indenture hereinafter referred to, the exercise price payable for each Common Share upon the exercise of Warrants shall be CDN$5.84 per Common Share (the "**Exercise Price**").

Certificates for the Common Shares subscribed for will be mailed to the persons specified in the Exercise Form at their respective addresses specified therein or, if so specified in the Exercise Form, delivered to such persons at the office where this Warrant Certificate is surrendered. If fewer Common Shares are purchased than the number that can be purchased pursuant to this Warrant Certificate, the holder hereof will be entitled to receive without charge a new Warrant Certificate in respect of the balance of the Common Shares not so purchased. No fractional Common Shares will be issued upon exercise of any Warrant and no cash or other consideration will be paid in lieu of fractional Common Shares.

This Warrant Certificate evidences Warrants of the Corporation issued or issuable under the provisions of a warrant indenture (which indenture together with all other instruments supplemental or ancillary thereto is herein referred to as the "**Warrant Indenture**") dated as of October 29, 2020 between the Corporation and Odyssey Trust Company, as Warrant Agent, to which Warrant Indenture reference is hereby made for particulars of the rights of the holders of Warrants, the Corporation and the Warrant Agent in respect thereof and the terms and conditions on which the Warrants are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth, to all of which the holder, by acceptance hereof, assents. The Corporation will furnish to the holder, on request and without charge, a copy of the Warrant Indenture.

On presentation at the principal office of the Warrant Agent as set out above, subject to the provisions of the Warrant Indenture and on compliance with the reasonable requirements of the Warrant Agent, one or more Warrant Certificates may be exchanged for one or more Warrant Certificates representing the same number of Warrants as represented by the Warrant Certificate(s) so exchanged.

Neither the Warrants nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. The Warrants may not be exercised by a person in the United States, a U.S. Person, a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or a person requesting delivery in the United States of the Common Shares issuable upon such exercise unless (i) this Warrant and such Common Shares have been registered under the U.S. Securities Act and the applicable laws of any such state, or (ii) an exemption or exclusion from such registration requirements is available and the requirements set forth in the Exercise Form have been satisfied. Certificates representing Common Shares issued to, or for the account or benefit of, persons in the United States or U.S. Persons may bear a legend restricting the transfer and exercise of such securities under applicable United States federal and state securities laws. "United States" and "U.S. Person" are as defined in Regulation S under the U.S. Securities Act.

The Warrant Indenture contains provisions for the adjustment of the Exercise Price payable for each Common Share upon the exercise of Warrants and the number of Common Shares issuable upon the exercise of Warrants in the events and in the manner set forth therein.

The Warrant Indenture also contains provisions making binding on all holders of Warrants outstanding thereunder resolutions passed at meetings of holders of Warrants held in accordance with the provisions of the Warrant Indenture and instruments in writing signed by Warrantholders of Warrants entitled to purchase a specific majority of the Common Shares that can be purchased pursuant to such Warrants.

Nothing contained in this Warrant Certificate, the Warrant Indenture or elsewhere shall be construed as conferring upon the holder hereof any right or interest whatsoever as a holder of Common Shares or any other right or interest except as herein and in the Warrant Indenture expressly provided. In the event of any discrepancy between anything contained in this Warrant Certificate and the terms and conditions of the Warrant Indenture, the terms and conditions of the Warrant Indenture shall govern.

Warrants may only be transferred in compliance with the conditions of the Warrant Indenture on the register to be kept by the Warrant Agent in Vancouver, British Columbia, or such other registrar as the Corporation, with the approval of the Warrant Agent, may appoint at such other place or places, if any, as may be designated, upon surrender of this Warrant Certificate to the Warrant Agent or other registrar accompanied by a written instrument of transfer in form and execution satisfactory to the Warrant Agent or other registrar and upon compliance with the conditions prescribed in the Warrant Indenture and with such reasonable requirements as the Warrant Agent or other registrar may prescribe and upon the transfer being duly noted thereon by the Warrant Agent or other registrar. Time is of the essence hereof.

This Warrant Certificate will not be valid for any purpose until it has been countersigned by or on behalf of the Warrant Agent from time to time under the Warrant Indenture.

The parties hereto have declared that they have required that these presents and all other documents related hereto be in the English language. Les parties aux présentes déclarent qu’elles ont exigé que la présente convention, de même que tous les documents s’y rapportant, soient rédigés en anglais.

[Signature Page Follows]

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be duly executed as of , 20 .

COLUMBIA CARE INC.

By: _____
Authorized Signatory

Countersigned by:

ODYSSEY TRUST COMPANY

By: _____
Authorized Signatory

FORM OF TRANSFER

ANY TRANSFER OF WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER

To: Odyssey Trust Company

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to

_____

_____

(print name and address) the Warrants of Columbia Care Inc. represented by this Warrant Certificate or DRS Advice and hereby irrevocable constitutes and appoints as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Warrant Agent.

In the case of a warrant certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

☐ (A) the transfer is being made to the Corporation;

☐ (B) the transfer is being made outside the United States in compliance with Rule 904 of Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and in compliance with any applicable local laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Schedule "C" to the Warrant Indenture, or

☐ (C) the transfer is being made in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws and the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to the Corporation to such effect.

In the case of a Warrant Certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of a U.S. Person or to a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Corporation and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to such effect.

☐ If transfer is to a person in the United States or a U.S. Person, check this box.

In the case of a transfer within the United States or to, or for the account or benefit of, a U.S. Person or to a person in the United States, the certificates representing the Warrants will be endorsed with a U.S. restrictive legend.

DATED this ____ day of _____, 20__.

SPACE FOR GUARANTEES OF SIGNATURES (BELOW)

Signature of Transferor

Guarantor's Signature/Stamp

Name of Transferor

REASON FOR TRANSFER – For US Citizens or Residents only (where the individual(s) or corporation receiving the securities is a US citizen or resident). Please select only one (see instructions below).

☐ Gift ☐ Estate ☐ Private Sale ☐ Other (or no change in ownership)

Date of Event (Date of gift, death or sale):

Value per Warrant on the date of event:

$

☐ ☐

CAD OR USD

CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then-current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.
- **Canada:** A Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.

- **Outside North America:** For holders located outside North America, present the certificates(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

OR

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”, “MEDALLION GUARANTEED” OR “SIGNATURE & AUTHORITY TO SIGN GUARANTEE”, all in accordance with the transfer agent’s then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer with a “MEDALLION GUARANTEED” Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

REASON FOR TRANSFER – FOR US CITIZENS OR RESIDENTS ONLY

Consistent with U.S. IRS regulations, Odyssey Trust Company is required to request cost basis information from U.S. securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized but, rather, the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

SCHEDULE "B"

EXERCISE FORM

TO: **Columbia Care Inc. (the "Corporation")**
680 Fifth Avenue, 24th Floor
New York, NY 10019 USA

AND TO: Odyssey Trust Company (the "**Warrant Agent**")
323 – 409 Granville Street
Vancouver, British Columbia V6C 1T2

The undersigned holder of the Warrants evidenced by this Warrant Certificate or DRS Advice hereby exercises the right to acquire _____ (A) Common Shares of Columbia Care Inc.

Exercise Price Payable: _____

((A) multiplied by $5.84, subject to adjustment)

The undersigned hereby exercises the right of such holder to be issued, and hereby subscribes for, Common Shares that are issuable pursuant to the exercise of such Warrants on the terms specified in such Warrant Certificate and in the Warrant Indenture.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ (A) the undersigned holder at the time of exercise of the Warrants (i) is not in the United States, (ii) is not a U.S. Person, (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this exercise form in the United States; (vii) is not requesting delivery in the United States of the Warrant Shares issuable upon such exercise; and (viii) represents and warrants that the exercise of the Warrants and acquisition of the Warrant Shares occurred in an "offshore transaction" (as defined under Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act")); OR

☐ (B) the undersigned holder is (i) an Original U.S. Warrantholder, (ii) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the subscription agreement executed and delivered in connection with its purchase of the Units pursuant to

which the Units were originally issued and of which the Warrants originally comprised a part, (iii) is, and such disclosed principal, if any, is, an Accredited Investor at the time of exercise of these Warrants, and (iv) confirms the representations and warranties of the holder made in the subscription agreement executed and delivered in connection with its purchase of the Units pursuant to which the Units were originally issued and of which the Warrants originally comprised a part remain true and correct as of the date of exercise of these Warrants; OR

☐ (C) the undersigned holder

(i) is (1) in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or (4) requesting delivery in the United States of the Warrant Shares issuable upon such exercise, and

(ii) has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants and the issuance of the Warrant Shares and has delivered to the Corporation and the Warrant Agent a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation, to that effect.

It is understood that the Corporation and the Warrant Agent may require evidence to verify the foregoing representations.

The undersigned holder understands that unless Box A above is checked, the certificate representing the Common Shares may be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Indenture and the subscription documents). If Box C above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion or other evidence tendered in connection with the exercise will be satisfactory in form and substance to the Corporation. "**U.S. Person**" and "**United States**" are as defined in Regulation S under the U.S. Securities Act.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation. The undersigned hereby further acknowledges that the Corporation will rely upon the confirmations, acknowledgements and agreements set forth herein, and agrees to notify the Corporation promptly in writing if any of the representations or warranties herein ceases to be accurate or complete.

The undersigned hereby irrevocably directs that the said Common Shares be issued, registered and delivered as follows:

Name(s) in Full and Social Insurance Number(s) (if applicable)	Address(es)	Number of Common Shares

Please print full name in which certificates representing the Common Shares are to be issued. If any Common Shares are to be issued to a person or persons other than the registered holder, the registered holder must pay to the Warrant Agent all eligible transfer taxes or other government charges, if any, and the Form of Transfer must be duly executed.

Once completed and executed, this Exercise Form must be mailed or delivered to Odyssey Trust Company, 323 – 409 Granville Street, Vancouver, British Columbia V6C 1T2, Attention: Corporate Trust.

DATED this ____ day of _____, 20__.

	)	
	)	
Witness	)	Signature of Warrantholder, to be the same
	)	as appears on the face of this Warrant
	)	Certificate
	)	
	)	
		Name of Warrantholder

☐ Please check if the certificates representing the Common Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which such certificates will be mailed to the address set out above. Certificates will be delivered or mailed as soon as practicable after the surrender of this Warrant Certificate to the Warrant Agent.

SCHEDULE "C"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: ODYSSEY TRUST COMPANY as registrar and transfer agent for the [Warrants / Common Shares issuable upon exercise of the Warrants] of Columbia Care Inc. (the "**Corporation**")

AND TO: THE CORPORATION

The undersigned (A) acknowledges that the sale of _____ he "**Securities**") of the Corporation, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that: (1) the undersigned is not an "affiliate" (as that term is defined in Rule 405 under the U.S. Securities Act) of the Corporation; (2) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) none of the seller, any affiliate of the seller or any person acting on their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace such Securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this ____ day of _____, 20__.

X _____
Signature of individual (if Seller is an individual)

X _____
Authorized signatory (if Seller is **not** an individual)

_____
Name of Seller **(please print)**

_____
Name of authorized signatory **(please print)**

_____
Official capacity of authorized signatory (please print)

PATRIOT CARE CORP.
Application 3 of 3, Exhibit 5.1

LEASE AGREEMENT

BETWEEN

PAGSON, LLC
a Delaware limited liability company
("Landlord")

and

Patriot Care Corporation

("Tenant")

LEASE AGREEMENT

This Lease Agreement (the "Lease") is entered into this 1st day of December, 2013 between PAGSON, LLC, a Delaware limited liability company ("Landlord") and PATRIOT CARE CORPORATION, ("Tenant"), who agree as follows:

LEASE OF PREMISES

Landlord agrees to lease to Tenant and Tenant agrees to lease from Landlord on the Commencement Date, upon the provisions and conditions set forth herein, that property known as 70 Industrial Avenue East, Lowell, MA, as the same is more fully described on Exhibit "A" attached hereto (the "Property") together with that commercial building and related facilities located thereon and all furnishings, fixtures and equipment therein, as the same are more fully described on Exhibit "B" (collectively the "Building"). The Property and the Building may hereafter be referred to collectively as the "Premises."

BASIC LEASE PROVISIONS

The following are the Basic Lease Provisions of this Lease. Other sections of this Lease explain and define the Basic Lease Provisions in more detail and are to be read in conjunction herewith. In the event of any conflict between the Basic Lease Provisions and the other sections of this Lease, the balance of this Lease shall control.

1. RENTABLE AREA OF PREMISES: 5,800 square feet, this also represents 15.9% of the total square footage of the building.
2. INITIAL TERM: Five (5) years.
3. OPTION TO RENEW: Two (2) five (5) year options $10.00 per SF NNN for the first option and $11.00 per SF NNN for the second option.
4. COMMENCEMENT DATE: January 1st, 2014.
5. RENT COMMENCEMENT DATE: March lst, 2014
6. BASIC ANNUAL RENT FOR INITIAL TERM: Nine Dollars per rentable square foot of the Premises per year triple net ($52,200.00 annually), for 5 years
7. DEPOSIT: $13,050.00 First, Last and Security

8. ADDRESSES:

Landlord:	Tenant:
Pagson, LLC 70 Industrial Avenue East Lowell MA 01852 Attn: William J. Roderick	Patriot Care Corporation 70A Industrial Avenue East Lowell MA 01852 Attention: Robert Mayerson

9. PERMITTED USES: The Premises shall be used as a medical marijuana dispensary with possible inclusion of a kitchen, laboratory, research, or office area in accordance with all Massachusetts laws, rules, and regulations, particularly 105 CMR 725.000 *et seq.*

10. TERMINATION RIGHT: Tenant shall have the absolute right to terminate this Lease if it does not receive a license from the Commonwealth of Massachusetts to operate a marijuana dispensary in this location following its Phase 2 application to be submitted on November 21, 2013, or the necessary permits for such operation from the City of Lowell. In the event of such termination, Landlord shall return any amounts paid as a Security Deposit, as that term is defined below.

ARTICLE 1 - TERM

1.1 Initial Term. The initial term of this Lease ("Initial Term") shall commence upon the Commencement Date and shall expire on that date which is five (5) years from the Commencement Date. In any event, this Lease shall terminate if the Tenant fails to obtain a license from the Commonwealth of Massachusetts to operate a medical marijuana dispensary in the City of Lowell or any permits or approvals required to operate such dispensary from the City of Lowell. Prior to Commencement, Landlord agrees to hold the Premises for Tenant until Tenant receives its licensing approval from the Commonwealth of Massachusetts (hereinafter, the "Holding Period"). The Holding Period shall not exceed three (3) months and commences October 1, 2013. In exchange for Landlord's agreement to hold, Tenant shall pay Lessor $2,000 on October 1, 2013 and on the first day of each month thereafter until Commencement. Should the Tenant be unsuccessful in obtaining such dispensary license from the Commonwealth or any permits or approvals required to operate such dispensary from the City of Lowell, the agreement to hold may be cancelled by Tenant upon thirty (30) days written notice to Landlord. Tenant shall not be entitled to possession during the Holding Period. In the period subsequent to the termination of the Holding Period but prior to the Rent Commencement Date, Tenant shall pay Lessor $3,175.00 on the first of each month of this period (i.e. January and February 2014).

1.2 Extension. Tenant is granted an option to extend this Lease for two successive five (5) year periods upon the expiration of the Initial Term of this Lease. Tenant shall exercise its option to extend the Lease by giving written notice of Tenant's intent to exercise its option no later than sixty (60) days prior to the expiration of a Lease term. Landlord shall have the right to place ordinary "for lease" signs on the Premises any time within sixty (60) days prior to the expiration of this Lease should Tenant not exercise its option to renew in a timely manner and to show the premises to prospective purchasers or tenants upon twenty-four (24) hours advanced notice during such period. Rent during the extended term(s) shall be as set forth in the Basic Lease Provisions, paragraph 3.

ARTICLE 2 - RENT

2.1 Basic Monthly Rent. On the Rent Commencement Date as set forth in Paragraph 5 of the Basic Lease Provisions, Tenant shall pay to Landlord, as monthly rent ("Basic Monthly Rent"), one-twelfth of the amount set forth in Paragraph 6 of the Basic Lease Provisions, as applicable. Basic Monthly Rent and all other amounts payable hereunder shall thereafter be paid to Landlord by ACH in advance of the first day of each month during all terms of this Lease, without deduction or offset, in lawful money of the United States of America to such place as Landlord may designate in writing. If the Initial Term commences on other than the first day of a calendar month, then there shall be paid on the Commencement Date a pro rata portion of the Basic Monthly Rent based upon the number of days remaining in such month.

2.2 Past Due Rent. Any amount payable hereunder, including Basic Monthly Rent and any other charge (collectively the "Rent"), not paid when due shall bear interest from the date due until the date paid at the prime rate as listed in the Wall Street Journal ("Interest Rate"). The payment of such interest shall not excuse or cure any default or modify any obligation of Tenant under this Lease.

2.3 Late Fee. Tenant acknowledges that the late payment by Tenant to Landlord of Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be difficult to ascertain. Such costs may include, without limitation, administrative costs, processing and accounting charges, and late charges which may be imposed on Landlord. Accordingly, if any installment of Rent shall not be received by Landlord within five (5) business days after the date that such amount is due and payable, then Tenant shall pay to Landlord, in addition to the interest provided above, a late charge in the amount of five percent (5%) of the amount due. The parties agree that such late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of the late payment by the Tenant. Acceptance of such late charge by Landlord shall not constitute a waiver of Tenant's default with respect to such overdue amount nor prevent Landlord from exercising any of its rights or remedies hereunder.

2.4 Security Deposit. On December 2, 2013, Tenant shall cause to be paid by ACH to Landlord, in lawful money of the United States of America to such place as Landlord may designate in writing, the amount of $13,050.00, being Basic Monthly Rent for the first month of the Initial Term in the amount of $4,350.00, as the same may be prorated, and the amount of $4,350.00 for the Basic Monthly Rent for the last month of the Initial Term, and an additional amount of $4,350.00 as security as specified in Paragraph 7 of the Basic Lease Provisions (collectively, the "Security Deposit"). Upon Tenant's exercise of its Termination right provided in paragraph 10 of the Basic Lease Provisions above, the Security Deposit shall be returned to the Tenant in the event Tenant fails to obtain a license from the Commonwealth of Massachusetts to operate a marijuana dispensary following its Phase 2 application on November 21, 2013 or obtain any permits necessary to operate such dispensary from the City of Lowell. The Security Deposit shall be held by Landlord as security for the faithful performance by Tenant of this Lease. If Tenant defaults under this Lease, following any applicable grace and cure periods, Landlord may (but shall not be required to) use, apply or retain all or any part of the Security Deposit for the payment of any Rent or to compensate Landlord for any other loss or damage which Landlord may suffer thereby. If any portion of the Security Deposit is so used or applied, Tenant shall, within ten (10) days after demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to the full amount thereof. Landlord shall not be required to maintain the Security Deposit separate from its general accounts. The Security Deposit, or any balance thereof that has not theretofore been applied by Landlord, shall be applied to the Basic Monthly Rent for the last month of the Term, as applicable. In the event of assignment of Landlord's interest in this Lease, Landlord shall transfer the Security Deposit to Landlord's successor in interest whereupon Landlord shall be released from all liability for the return or accounting therefor. No trust relationship is created herein between Landlord and Tenant with respect to the Security Deposit.

2.5 Rent. For purposes hereof all amounts payable by Tenant to Landlord, regardless of how described or denominated, shall be considered Rent.

ARTICLE 3 - ACCEPTANCE OF PREMISES

3.1 Acceptance of Premises. Landlord will deliver the Premises broom clean with all structural, mechanical, lighting, plumbing, electrical, HVAC and building systems as required herein, in good working order, and in compliance with all applicable code. Tenant is responsible for compliance with code for its specific use. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representations or warranties with respect to the suitability or fitness of the Premises for the conduct of Tenant's business or for any other purpose. The taking of possession or use of the Premises by Tenant shall conclusively establish that the Premises were at such time ready for occupancy and in conformity with the provisions of this Lease in all respects. Nothing contained in this Article shall affect the commencement of the Initial Term or the obligation of Tenant to pay any Rent due under this Lease.

ARTICLE 4 - SERVICES AND UTILITIES

4.1 Services. Notwithstanding the Landlord's obligations as described in this Lease, Tenant shall be solely responsible for securing and arranging all maintenance and other services necessary to operate and utilize the Premises for the purposes contemplated by Tenant. Such services shall be secured by Tenant in its name and Tenant shall be solely responsible for paying any and all costs related to such services, effective upon the Commencement Date of this Lease.

4.2 Utilities. Effective upon the Commencement Date of this Lease, Tenant shall be solely responsible for, and shall promptly pay, the cost of all water, electricity, gas, telephone, cable television, trash removal and other utilities used or consumed in connection with occupancy and use of the Premises, directly to the applicable utility company or provider. In no circumstance shall Landlord be liable to Tenant for any claim of loss or damage arising from the failure or inability, for any reason, or any supplier of any such utility to provide the utility to the Premises. Tenant shall have caused all utility accounts related to the Premises to be placed in Tenant's name, and shall make all payments on and from that date forward. Notwithstanding any provision herein to the contrary, in the event that any utility service to the Premises is interrupted for more than three (3) consecutive business days due to no fault, act or omission of Tenant, Basic Monthly Rent due hereunder shall thereafter abate until such service has been resumed.

ARTICLE 5 – TAXES

5.1 Real Property Taxes. Upon the Commencement Date, Tenant shall pay its proportionate share of the real property taxes related to the Premises for each year of the Initial Term, and Extended Term if applicable. The Tenant's proportionate share will be based on the percentage referenced in Section 1 of the Basic Lease Provisions herein. Such monthly tax payment shall be paid by Tenant to Landlord in the same manner as set forth in Section 2.1 above. The monthly amount invoiced to Tenant related to real property taxes shall be adjusted each calendar year based on the previous year's real property taxes. Landlord shall deliver to Tenant after the expiration of each calendar year a reasonably detailed statement showing the actual real property taxes incurred during the preceding year related to the Premises. If Tenant's actual payments under this Section 5.1 during said preceding calendar year exceed the actual amount indicated on said statement, Tenant shall be credited the amount of such overpayment against that real property tax invoice next becoming due. If Tenant's actual payments under this Section 5.1 during said preceding year were less than the amount of such taxes indicated on said statement, Tenant shall pay to Landlord the amount of the deficiency within thirty (30) days after delivery by Landlord to Tenant of said statement. Tenant's obligation to pay real property taxes under this Section 5.1 shall survive the expiration or termination of the Lease. Tenant shall have the right, in its sole discretion, to file for tax certiorari proceedings with respect to the Premises, in which case Landlord shall reasonably cooperate with respect to same.

5.2 Personal Property Taxes. Tenant shall pay before delinquency all taxes, levies, assessments, charges and fees assessed or charged against Tenant's business, leasehold improvements, trade fixtures, equipment, inventory and other personal property. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments. If Tenant fails to pay any such taxes, levies, assessments, charges or fees, Landlord may, but shall not be required to, pay the same and bill Tenant the amount thereof.

ARTICLE 6 – MAINTENANCE, ALTERATIONS AND REPAIRS

6.1 Tenant to Maintain. The obligations of Tenant under this Article will extend, without limitation, to the maintenance, repair and replacement of all glass and plate glass, exterior doors, all electrical, mechanical, plumbing, HVAC and other systems, any signage erected by Tenant, all non-structural interior components of the Building, all non-structural exterior components of the Building, and snowplowing of sidewalks.. Tenant shall perform regular preventive maintenance, including maintaining a service contract, on the heating, ventilating and air conditioning system (HVAC) and will be responsible for all repairs below $500 (exclusive of the service contract), not to exceed $2,500 cumulatively for any lease year, provided there is no material change to the HVAC work load based on the current vent/duct configuration and utilization. Tenant will submit all tenant improvement plans to Landlord in advance of any final implementation. Landlord will be responsible for replacement of the HVAC system, if necessary. Tenant shall be solely responsible for any and all property management and/or janitorial fees incurred in connection with the maintenance, repair and replacement of the Premises. To the extent necessary, Tenant will promptly do all work required to have the Premises comply with all governmental requirements hereafter enacted relating to health, safety, and Americans with Disabilities Act requirements and insurance requirements applicable at any time during the Initial Term. Tenant's obligations under this Article 6 shall be subject to the normal wear and tear which does not affect the proper use of the Premises. All repairs performed by Tenant shall be of quality or class equal to the original mode of construction. To the extent Tenant does not maintain, replace or repair any component of the Premises as required herein in Landlord's reasonable discretion, Landlord may undertake such maintenance, replacement or repair on its own and charge Tenant for all actual costs incurred in connection with such action.

6.2 Landlord to Maintain. Landlord shall maintain in good condition the structural parts of the Premises, which shall include only the foundations, bearing and exterior walls, sub-

flooring and roof, those portions of the exterior electrical, plumbing and sewage systems serving the Premises and the gutters and down spouts on the building. In addition,. Landlord is responsible for repairs and snow removal of the parking lot, as needed, and landscaping of the exterior of the Building.

6.3 Alterations. Tenant shall have the right to make any interior alterations, improvements or additions to the Premises with the approval of the Landlord for any such improvements, additions, or alterations in excess of Ten Thousand Dollars ($10,000.00), not to be unreasonably withheld. In addition, Tenant shall have the right to implement any security measures or devices on the exterior of the Building, including without limitation any security cameras, screening on windows on the perimeter, and/or metal posts in the ground along the perimeter in compliance with any applicable City of Lowell rule or regulation, with the Landlord's approval not to be unreasonably withheld. In the event that Landlord fails, within ten (10) days of Landlord's receipt of Tenant's written request for consent to any alterations, improvements or additions and/or to the contractors or mechanics to be engaged by Tenant in connection therewith, together with such additional information as Landlord may reasonably request to evaluate such request, to respond in writing to such written request, Landlord's consent shall be deemed given to such request. To the extent Landlord does not consent to any such request, Landlord shall set forth in writing in reasonable detail the reasons for such disapproval. All alterations, improvements or additions made to the Premises shall become Landlord's property and remain upon the Premises at the termination or expiration of the Lease (excepting only Tenant's moveable office furniture, trade fixtures, security equipment, and office and professional equipment); provided, however, that at the time the alteration, improvement or addition was made to the Premises, Landlord informed Tenant of its intention to do so. All alterations, improvements and additions shall be made in a good and workmanlike manner using first class materials, which shall be at least equal in quality to the original installations. Tenant shall use licensed contractors to perform all alterations which exceed Ten Thousand Dollars ($10,000.00).

6.3 Mechanic's Liens. Tenant shall not, directly or indirectly, create or permit to be created or to remain and shall promptly discharge or remove any lien, levy or encumbrance on any of the Premises arising out of any work as contemplated in Section 6.2 above or otherwise. Notice is hereby given that Landlord shall not be liable for any labor, services or materials furnished or to be furnished to Tenant or to anyone holding or occupying the Premises through or under Tenant, and that no mechanic's or other liens for any such labor, services or materials shall attach to or affect the interest of Landlord in and to any of the Premises. Landlord may at any time, and at Landlord's request Tenant shall promptly, post any notices on the Premises regarding such non-liability of Landlord.

6.4 Hazardous Materials. Tenant agrees not to use, generate, store or dispose of Hazardous Materials on or about the Premises, or to transport Hazardous Materials to or from the Premises or permit anyone else to do so, except in accordance with all applicable environmental state, federal and local laws, by-laws, rules and regulations. "Hazardous Materials" shall mean oils, hazardous substances, hazardous wastes and hazardous materials as defined under any applicable federal, state or local law or regulation and does not include materials used to control rodent or insect infestation. Tenant indemnifies, defends, protects and holds Landlord harmless from all costs, damages, liens and expenses (including attorney's fees and court costs) related to the maintenance, creation, use, storage or discharge of any toxic substances or Hazardous Materials upon the Premises caused by Tenant, but not resulting from the discovery by Tenant of a pre-existing condition. Landlord indemnifies, defends, protects and holds Tenant harmless from all costs, damages, liens and expenses (including attorney's fees and court costs) related to the maintenance, creation, use, storage or discharge of any toxic or hazardous substances or materials upon the Premises that occurred prior to the Commencement Date. Landlord represents that there are currently no known Hazardous Materials on the Premises.

ARTICLE 7 - PREMISES

7.1 Permitted Use. Tenant shall use and occupy the Premises for the purpose of operating a marijuana dispensary with possible inclusion of kitchen, laboratory, research or office area, in accordance with all Massachusetts laws, rules and regulations, particularly 105 CMR 725.000 *et seq.*

7.2 Conduct of Business. Tenant shall not use the Premises or permit anything to be done in or about the Premises which shall: (i) conflict with any Massachusetts law, statute, ordinance, or governmental rule or regulation, the requirements of the Certificate of Occupancy for the Premises or with the requirements of any covenant, condition or restriction affecting the Premises (collectively the "Regulations") [Please provide a list of such Regulations affecting the Premises); and (ii) increase the rate for fire or other insurance currently in effect for the Premises. Tenant shall, at its sole cost and expense, promptly comply with all Regulations in force or which may hereafter be in force, and with the requirements of any fire or other insurance underwriters or other similar body affecting the use and occupancy of the Premises. Tenant shall not cause, maintain, or permit any nuisance or waste in, on, or about the Premises that is inconsistent with its use of the Premises.

7.3 Signage. Tenant shall be allowed to erect signage on the Premises related to Tenant's company and business.

7.4 Parking. For the duration of the Lease, Tenant shall have the exclusive right to utilize 20 parking areas located in front of the leased Property, which shall include exclusive use of those two handicap parking spaces located in front of the Premises. In addition, Tenant will have access to sufficient parking spaces as required by the City of Lowell permitting authority.

7.5 Damage to Premises; Notice. Neither Landlord nor its partners, agents, servants or employees shall be liable to Tenant for any damage to the Premises resulting from any act of negligence or willful misconduct of Tenant or any other occupant of the Premises. Tenant agrees to pay for all damage to the Premises caused by Tenant's misuse or neglect of the Premises, its apparatus or appurtenances, or caused by any licensee, contractor, agent or employee of Tenant, but only to the extent not covered by insurance required to be maintained under Article 10 of this Lease. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Premises. Tenant shall not be liable for any damage to the Premises resulting from any act of negligence or willful misconduct of Landlord or its partners, agents, servants or employees and Landlord agrees to pay for the repair or replacement of any portion of the Premises damaged by such acts.

7.6 Landlord's Right of Entry. Tenant shall permit Landlord to enter the Premises, with notice and at all times escorted by Tenant or any of Tenant's authorized agents, provided that the timing of such entry will not unreasonably disturb or interfere with Tenant's use of the Premises and operation of its business, for any one or more of the following purposes: (a) to examine or inspect the Premises; (b) to show the Premises to Persons considering purchasing or (during the last nine (9) months of the term) leasing the Premises; (c) to maintain, repair, or replace any component of the Premises that Tenant has failed to maintain, repair or replace in accordance with the provisions of this Lease, or to make Capital Repairs; (d) to take such steps as Landlord may reasonably determine necessary for the safety, improvement and preservation of the Premises; (e) as may be necessary to comply with the laws, orders or requirements of governmental or other authority; and (f) to post notices of non-responsibility in a visible location provided by Tenant therefor. In regard to entry for those purposes set forth in subsections (a) and (d) above, Landlord may only exercise such access rights once in any three (3) month period unless otherwise allowed by Tenant. Landlord shall consult with and give reasonable notice to Tenant prior to any entry upon the Premises pursuant to this Section 7.6. Landlord shall indemnify Tenant for all losses and damages to the Premises and to fixtures and personal property of Tenant (but not for loss of business or good will) arising from Landlord's (or its agent's) negligence or willful misconduct during such an entry. Under no circumstances will any entry made for any of the reasons described above or any consequences thereof (including without limitation, any work done, or services temporarily reduced or shut off): (i) constitute an eviction of Tenant or default of Landlord's obligation to provide quiet enjoyment; (ii) in any way affect the legal validity of this Lease; or (iii) entitle Tenant to any diminution or abatement of any Rent. Notwithstanding anything to the contrary in this Lease, Landlord may enter the Premises in cases of emergency without prior notice to Tenant and without any obligation to avoid interfering with the operation of Tenant's business. If Tenant is not personally present to open and permit an entry into the Premises at any time when such entry by Landlord is necessary due to emergency circumstances, Landlord understands the Premises will be alarmed.

ARTICLE 8 - ASSIGNMENT AND SUBLETTING

8.1 General. Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed: (a) assign, mortgage, pledge, encumber or otherwise transfer this Lease, the term or estate hereby granted, or any interest hereunder; (b) permit the Premises or any part thereof to be utilized by anyone other than Tenant (whether as concessionaire, franchisee, licensee, permittee or otherwise); or (c) except as hereinafter provided, sublet or offer or advertise for subletting the Premises or any part thereof. Notwithstanding the foregoing, the Tenant shall have the absolute right to assign or sublet all or a portion of the Premises to any subsidiary or affiliate without Landlord's consent. Except as otherwise provided, any assignment, mortgage, pledge, encumbrance, transfer or sublease without Landlord's consent shall be voidable and, at Landlord's election, shall constitute a default. Any proposed assignment or sublet of the Premises may be for uses other than those listed in Section 7.1 herein, provided they are allowed uses under all existing zoning and other governmental regulations and provided Landlord has provided its consent to such change in use, which consent shall not be unreasonably withheld, conditioned, or delayed.

8.2 Continuing Liability of Tenant. Regardless of Landlord's consent, no subletting or assignment shall release Tenant's obligation or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. If any assignee of Tenant or any successor of Tenant defaults in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee or successor. If Tenant assigns this Lease, or sublets all or a portion of the Premises, or requests the consent of Landlord to any assignment or subletting, then Tenant shall pay Landlord's reasonable attorneys' fees incurred in connection therewith.

8.3 Bankruptcy. To the extent permitted under then-applicable law, if a petition is filed by or against Tenant for relief under Title 11 of the United States Code, as amended (the "Bankruptcy Code"), and Tenant (including for purposes of this Section Tenant's successor in bankruptcy, whether a trustee or Tenant as debtor in possession) assumes and proposes to assign, or proposes to assume and assign this Lease pursuant to the provisions of the Bankruptcy Code to any person or entity who has made or accepted a bona fide offer to accept an assignment of this Lease on terms acceptable to Tenant, then notice of the proposed assignment setting forth (a) the name and address of the proposed assignee, (b) all of the terms and conditions of the offer and proposed assignment, and (c) the adequate assurance to be furnished by the proposed assignee of its future performance under the Lease, shall be given to Landlord by Tenant no later than twenty (20) days after the Tenant has made or received such offer, but in no event later than ten (10) days prior to the date on which Tenant applies to a court of competent jurisdiction for authority and approval to enter into the proposed assignment. Landlord shall have the prior right and option, to be exercised by notice to Tenant given at any time prior to the date on which the court order authorizing such assignment becomes final and non-appealable, to receive an assignment of this Lease upon the same terms and conditions, and for the same consideration, if any, as the proposed assignee, less any brokerage commissions which may otherwise be payable out of the consideration to be paid by the proposed assignee for the assignment of this Lease. If this Lease is assigned pursuant to the provisions of the Bankruptcy Code, Landlord: (i) may require from the assignee a deposit or other security for the performance of its obligations under the Lease in an amount substantially the same as would have been required by Landlord upon the initial leasing to a tenant similar to the assignee; and (ii) shall receive, as Rent, the sums and economic consideration described in Section 8. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed, without further act or documentation, to have assumed all of the Tenant's obligations arising under this Lease on and after the date of such assignment. Any such assignee shall, upon demand, execute and deliver to Landlord an instrument confirming such assumption. No provision of this Lease shall be deemed a waiver of Landlord's rights or remedies under the Bankruptcy Code to oppose any assumption and/or assignment of this Lease, to require a timely performance of Tenant's obligations under this Lease, or to regain possession of the Premises if this Lease has neither been assumed nor rejected within sixty (60) days after the date of the order for relief or within such additional time as a court of competent jurisdiction may have fixed. Notwithstanding anything in this Lease to the contrary, all amounts payable by Tenant to or on behalf of Landlord under this Lease, whether or not expressly denominated as Rent, shall constitute Rent for the purposes of Section 502(b)(6) of the Bankruptcy Code.

ARTICLE 9 - NON-LIABILITY AND INDEMNIFICATION

9.1 Tenant's Waiver of Claims and Indemnity. Tenant agrees that for the Initial and Extended Terms of this Lease and for such time as Tenant shall hold the Premises or any part thereof, Landlord shall not be liable to Tenant and Tenant shall defend (with counsel reasonably acceptable to Landlord), indemnify and hold Landlord, its managers, officers, agents, employees, independent contractors and invitees harmless from and against any and all liability for all injuries, loss, accidents, theft or damages to any property or persons, including death, and from all claims, actions, proceedings and costs in connection therewith, including reasonable counsel fees, arising from any act, omission, fault or negligence of Tenant, its officers, agents, employees, independent contractors, licensees or invitees, in, upon or about the Premises, from any cause whatsoever, except loss, damage or injury due to events occurring prior to the Commencement Date or caused solely by the gross negligence or willful misconduct of Landlord, its employees, independent contractors, licensees or invitees.

9.2 Landlord's Waiver of Claims and Indemnity. Landlord shall indemnify, defend, and hold Tenant harmless from and against any and all claims for or arising from Landlords' breach or default in the performance of any obligation on Landlord's part to be performed under the terms of this Lease. With respect to any injury or damage occurring within the Premises which are caused by the negligence or willful misconduct of the Landlord or managing agent or the employees, contractors or agents of the same, the Landlord shall indemnify and save harmless the Tenant from and against all claims arising therefrom, and this indemnity and hold harmless agreement shall include indemnity against all reasonable costs, expenses and liabilities incurred in or in connection with any such claim or proceeding brought thereon, and the defense thereof.

ARTICLE 10 - INSURANCE

10.1 Insurance to be Carried by Tenant. At its own cost and expense, Tenant shall obtain and maintain throughout the Initial Term and Extended Term of this Lease the following insurance coverage: (a) commercial general liability insurance covering claims for injury to persons or property occurring in or about the Premises, or arising out of ownership, maintenance, use, or occupancy thereof by the Tenant, for no less than $1,000,000 per occurrence, which limit shall relate only to the Premises and no other properties which the Tenant may own or occupy as a tenant elsewhere; (b) a comprehensive special commercial package, covering the Premises and any and all of Landlord's and Tenant's improvements, equipment, trade fixtures, tools, inventory, and personal property in, at, or about the Premises, in the full amount of the replacement cost of the same and including an agreed amount endorsement eliminating the risk of co-insurance;; and (c) worker's compensation and all other insurance coverages for Tenant's employees, agents, servants, and others at or about the Premises in compliance with and as required by any and all applicable governmental regulations and statutes.

10.2 Policy Forms and Delivery. All Tenant insurance policies shall be taken out from responsible companies qualified to do business in Massachusetts and in good standing therein and shall be in a form reasonably satisfactory to Landlord. All insurance policies referred to in Section 10.1 shall name Tenant, Landlord, and Landlord's mortgagees, as insureds, with loss payable to Landlord, Tenant, and such of Landlord's mortgagees as Landlord may from time to time designate, as their respective interests may appear. Tenant shall deposit with Landlord certificates for such insurance at or prior to the Commencement Date, and thereafter within thirty (30) days prior to the expiration of any such policies. All such insurance certificates shall provide that such policies shall not be cancelled or modified without at least ten (10) days prior written notice to each insured named therein. Insofar as, and to the extent that, the following provision may be effective without invalidating or making it impossible to secure insurance coverage obtainable from responsible insurance companies doing business in the locality in which the Premises are located (even though an extra premium may result therefrom), Tenant agrees that, with respect to any hazard, the loss from which is covered by insurance then being carried by it, Tenant releases Landlord of and from any and all claims with respect to such loss to the extent of the insurance proceeds paid with respect thereto; and Tenant further agrees that its insurance companies shall have no right of subrogation against Landlord on account thereof. Upon failure of Tenant to procure, maintain and place such insurance and pay all premiums and

charges therefor as required under this Article 10, Landlord may, but shall not be obligated to, purchase such insurance, and in such event, Tenant shall pay all premiums and charges therefor to Landlord as Rent within five (5) days after demand.

ARTICLE 11 - TRANSFER OF LANDLORD'S INTEREST

In the event of a transfer of all of Landlord's ownership interest in the Premises, other than a transfer for security purposes only, Landlord shall be automatically relieved of all obligations and liabilities of Landlord hereunder accruing from and after closing of such transfer, provided that Landlord's transferee expressly assumes such obligations.

ARTICLE 12 - DAMAGE OR DESTRUCTION

12.l Repair or Termination.

(a) If the Premises are damaged by fire or other casualty of the type insured by Landlord the damage shall be repaired by Landlord; provided such repairs can reasonably be made within one hundred twenty (120) days after the commencement of repairs without the payment of overtime or other premiums and that the insurance proceeds are sufficient to pay the costs of such repairs. Landlord shall give written notice to Tenant within thirty (30) days after the occurrence of the damage if Landlord concludes the damages can be so repaired. If Landlord determines that the damage cannot reasonably be repaired within such timeframe (with Landlord's failing to deliver the required notice being construed as such), then either party may terminate this Lease by written notice to the other delivered within sixty (60) days after the occurrence of the damage. Until such repairs are completed, Rent shall be abated in proportion to the part of the Premises which is unusable by Tenant in the conduct of its business (but there shall be no abatement of Rent by reason of any portion of the Premises being unusable for a period of three (3) days or less). If the damage is due to the fault or neglect of Tenant or its employees, there shall be no abatement of Rent. If Landlord is required or elects to restore the Premises, Landlord shall not be required to restore alterations made by Tenant, Tenant's improvements, trade fixtures and personal property, such items being the sole responsibility of Tenant to restore.

(b) Landlord shall not be liable for any failure to timely make any such repairs if such failure is caused by accidents, strikes, lockouts or other conditions beyond the reasonable control of Landlord.

(c) If such repairs cannot reasonably be made within such one hundred twenty (120) days, or if such repairs will cost more than the available insurance proceeds, Landlord may, at its option, make such repairs within one hundred eighty (180) days and, in such event, this Lease shall continue in effect and the Basic Monthly Rent shall be abated in the manner provided above. Landlord's election to make such repairs must be evidenced by written notice to Tenant advising Tenant within thirty (30) days after the occurrence of the damage whether or not Landlord will make such repairs. If, for any reason, such restoration shall not be substantially completed within one hundred eighty (180) days after the occurrence of the casualty (which period may be extended for such periods of time as Landlord is prevented from proceeding with or completing such restoration for any cause beyond Landlord's reasonable control, but in no event for more than an additional three (3) months), Tenant shall have the right to terminate this Lease by giving notice to Landlord thereof within sixty (60) days after the expiration of such period (as so extended). This Lease shall cease and come to an end without further liability or obligation on the part of either party upon such giving of notice by Tenant.

(d) All proceeds of any insurance maintained by Tenant or Landlord upon the Premises (including insurance on Tenant improvements) shall be used to pay for the repairs to the property covered by said insurance, to the extent that repairs are made pursuant to this Article.

(e) Either party shall have the right to terminate this Lease if more than fifty percent (50%) of the Premises is damaged during the last eighteen (18) months of the Initial Term, as applicable.

12.2 Loss of Enjoyment. No damages, compensation or claim shall be payable by Landlord to Tenant for any inconvenience, loss of business or annoyance of Tenant arising from any repair or restoration of any portion of the Premises performed by Landlord or its agents. Landlord shall use good faith efforts to effect such repair or restoration promptly and in such manner as not unreasonably to interfere with Tenant's use and occupancy of the Premises.

12.3 Automatic Termination. A total destruction of the Premises shall automatically terminate this Lease.

ARTICLE 13 - DEFAULTS AND REMEDIES

13.1 Events of Default. The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

(a) Any failure by Tenant to pay Rent as and when due, where such failure continues for ten (10) days after written notice thereof by Landlord to Tenant;

(b) Any failure by Tenant to observe and perform any other material provision of this Lease where such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's obligation is such that more than thirty (30) days are required for its performance, then Tenant shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion;

(c) The making by Tenant of any general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a Chapter 7 debtor or to have debts discharged or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within ninety (90) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interests in this Lease, where possession is not restored to Tenant within sixty (60) days; the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

13.2 Landlord's Remedies. In addition to any other remedy provided under this Lease, upon the occurrence of any event of default, Landlord shall have the option to pursue any one or more of the following remedies without notice or demand whatsoever:

(a) Give Tenant written notice of intent to terminate this Lease on the date of such notice or on any later date as may be specified therein, whereupon Tenant's right to possession of the Premises shall cease and this Lease, except as to Tenant's liability, shall be terminated. (At Landlord's option and in its sole discretion and if Landlord so expressly notifies Tenant in writing, Landlord may release Tenant from liability hereunder.)

(b) In the event this Lease is terminated in accordance with the provisions of this Article 13, Tenant shall remain liable to Landlord for damages in an amount equal to the Rent and other sums which would have been owing by Tenant hereunder for the balance of the Initial Term, as applicable, had this Lease not been terminated, less the net proceeds, if any, of any re-letting of the Premises by Landlord subsequent to such termination, after deducting all Landlord's reasonable expenses, including, without limitation, all repossession costs, brokerage commissions, reasonable attorneys' fees and disbursements, repair costs and expenses of preparation for such re-letting. Landlord shall in no event be liable in any way whatsoever for failure to re-let the Premises, or, in the event that the Premises are re-let, for failure to collect the rent under such re-letting, provided that Landlord agrees to use reasonable efforts to mitigate damages by re-letting the Premises as expeditiously as practicable. Landlord shall be entitled to collect such damages from Tenant monthly on the days on which the Rent and other charges would have been payable hereunder if this Lease had not been terminated.

(c) Re-enter and take possession of the Premises or any part thereof, and repossess the same and expel Tenant and those claiming through and under Tenant, and remove the effects of both or either, without breach of the peace, without being liable for prosecution thereof, without being deemed guilty of any manner of trespass, and without prejudice to any

remedies for arrears of Rent or preceding breach of covenants or conditions, but subject to the Tenant's obligations pursuant to the regulations contained in 105 CMR 725.000 *et seq.*, including any obligations regarding the legal transport, storage, and disposal of medical marijuana. Should Landlord elect to re-enter as provided in this subparagraph, or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Landlord may, from time to time, without terminating this Lease, re-let the Premises or any part thereof in Landlord's or Tenant's name, but for the account of Tenant, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Initial Term of this Lease) and on such conditions and upon other terms (which may include concessions of free Rent and alterations and repair of the Premises) as Landlord, in its sole discretion, may determine, and Landlord may collect and receive the Rents therefor. Landlord shall in no way be responsible or liable for any failure to collect any Rent due upon such re-letting, except that Tenant does not hereby waive any defense which Tenant may have for Landlord's failure to make reasonable efforts to release the Property, on which terms and conditions as Landlord sees fit. No such re-entry or taking possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant. No notice from Landlord hereunder or under a forcible entry and detainer statute or similar law shall constitute an election by Landlord to terminate this Lease unless such notice specifically so states. Landlord reserves the right following any such re-entry and/or re-letting to exercise its right to terminate this Lease by giving Tenant such written notice, in which event the Lease will terminate as specified in said notice.

13.3 Landlord Default and Tenant Remedies. Landlord shall not be in default unless it fails to perform the obligations required of Landlord by this Lease within thirty (30) days after written notice by Tenant to Landlord specifying which obligation(s) Landlord has failed to perform. Provided, however, that if the nature of the specified obligation(s) is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if it commences performance within such 30-day period and thereafter diligently prosecutes the same to completion. If Landlord has not cured or commenced to cure the default set forth in said notice within said 30-day period, Tenant may at his option either (i) cure such default and deduct the reasonable costs and expenses incurred from the next and succeeding rent payment(s) or (ii) cancel this Lease and, in such event, this Lease shall thereupon cease, terminate, and come to an end with the same force and effect as though the original demised term had expired at that time.

ARTICLE 14 - CONDEMNATION

14.1 Eminent Domain. If any part of the Premises is taken by eminent domain or by conveyance in lieu thereof such that Tenant cannot reasonably operate its business, then this Lease, at the option of either party evidenced by notice to the other given within thirty (30) days from such taking or conveyance, shall forthwith cease and terminate entirely. In the event of such termination of this Lease, then Rent shall be due and payable to the actual date of such termination. If neither party terminates this Lease, this Lease shall cease and terminate as to that portion of the Premises so taken as of the date of such taking, and the Rent thereafter payable under this Lease shall be abated pro rata from the date of such taking in an amount by which that portion of the Premises so taken shall bear to the total area of the Premises prior to such taking.

14.2 Damages. All compensation awarded for any taking (or the proceeds of private sale in lieu thereof) of the Premises shall be the property of Landlord; provided, however, Landlord shall have no interest in any award made to Tenant for the taking of Tenant's fixtures and other personal property or moving expenses if a separate award for such items is made to Tenant.

ARTICLE 15 - SURRENDER OF PREMISES, REMOVAL OF PROPERTY

15.1 Tenant's Removal of Property. Upon the expiration or termination of the Initial Term of this Lease and if the Tenant has not exercised any right to renew or extend the Initial Term of this Lease, Tenant shall quit and surrender possession of the Premises to Landlord in as good order, condition and repair as the same are now or hereafter may be improved by Landlord or Tenant, reasonable wear and tear and repairs which are Landlord's obligation excepted, and in a reasonable state of cleanliness. In such event, Tenant shall, without expense to Landlord, remove from the Premises all debris, rubbish, furniture, equipment, business and trade fixtures,

security equipment, free-standing cabinet work, moveable partitions and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises and all similar articles of any other persons claiming under Tenant. Unless otherwise requested to do so by Landlord at the time that Landlord approves such additions and improvements, however, Tenant shall not remove any additions or improvements to the Premises, such as carpet, interior partition walls and doors, "built-ins", shelves, built-in fixtures or other similar items, and all personal property of Landlord located within and upon the Premises, it being understood and agreed that such items are and shall remain the property of Landlord. Tenant shall also repair, at its expense, all damage to the Premises resulting from such removal.

15.2 Abandoned Property. Whenever Landlord shall reenter the Premises as provided in this Lease, any property of Tenant not removed by Tenant upon the expiration of the Initial Term of this Lease or any renewal or extension term or within ten (10) business days after a termination by reason of Tenant's default, as provided in this Lease, shall be considered abandoned, and Landlord may remove any or all such items and dispose of same in any manner or store the same in a public warehouse or elsewhere for the account and at the expense and risk of Tenant. This right is subject to Tenant's obligations pursuant to 105 CMR 725.00, *et seq*., including those provisions applicable to the lawful storage, transport, and disposal of marijuana.

ARTICLE 16 - MISCELLANEOUS

16.1 Quiet Enjoyment. Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease.

16.2 Force Majeure. Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Section, however, shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

16.3 Counterparts. This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.

16.4 Further Assurances. The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.

16.5 Attorneys' Fees. If either party incurs any expense, including reasonable attorney's fees, in connection with any action instituted by either party by reason of any dispute under this Lease or any default or alleged default of the other party, the party substantially prevailing in such action shall be entitled to recover its reasonable expenses from the other party.

16.6 Estoppel Certificates. Landlord and Tenant each agree at any time from time to time, within twenty (20) days of receipt of written request from the other, to execute, acknowledge and deliver to the other a statement in writing certifying: (a) that this Lease is unmodified and in full force and effect or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications; (b) as to the Commencement Date of the Lease and the expiration dates of the Initial Term; (c) as to the dates to which the Rent and other charges hereunder have been paid in advance, if any; (d) as to the amount of the current Basic Monthly Rent; (e) as to the subleases or assignments, if any, applicable to the Lease; (f) whether or not, to the best knowledge of such party, the other party is in default in the performance of any covenant, agreement or condition contained in this Lease, and if so, specifying each such default of which such party may have knowledge; and (g) any other information reasonably requested by such party. Any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser of the Premises, or any mortgagee, ground lessor or other encumbrancer thereof, or by an assignee of any such encumbrancer.

16.7 Holding Over. Any holding over after the expiration or termination of the Initial Term of this Lease, as applicable, without the consent of the Landlord shall be construed to be a tenancy from month to month upon the same provisions and conditions as otherwise set forth herein except that the Rent shall equal 125% of the Rent payable (without reduction) during the last month of the Initial Term hereof. Tenant shall indemnify and hold Landlord harmless from and against all direct liability, costs, damages and expenses resulting from the delay by Tenant in surrendering the Premises, including any claims made by any succeeding or prospective tenant based on any such delay.

16.8 Notices. All notices, which Landlord or Tenant may be required or may desire to serve on the other shall be in writing and shall be served by personal delivery, by recognized express courier (e.g. Federal Express) or by mailing the same by registered or certified mail, return receipt requested, postage prepaid, addressed as set forth in the Basic Lease Provisions or addressed to such other address or addresses as either Landlord or Tenant may from time to time designate to the other in writing in accordance with this Article. Any notice served by personal delivery shall be deemed effectively given when delivered at the party's address. Any notice served by express courier shall be deemed effectively given one (1) business day after being sent for next day delivery. Any notice so given by mail as provided above shall be deemed effectively given five (5) days after being deposited in the U.S. mail.

16.9 Governing Laws. This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

16.10 Headings and Titles. The marginal titles to the Articles and Sections of this Lease are inserted for convenience of reference only and shall have no effect upon the construction or interpretation of any part hereof.

16.11 Binding Effect. Subject to the limitations on assignment, subletting and transfers, this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

16.12 Time of Essence. Time is of the essence with respect to the performance of every provision of this Lease.

16.13 Severability. If any condition or provision of this Lease shall be held invalid or unenforceable to any extent under any applicable law or by any court of competent jurisdiction, the remainder of this Lease shall not be affected thereby, and each condition and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

16.14 Authority. Each individual executing this Lease on behalf of a partnership, corporation or other similar business entity represents and warrants that she or he is duly authorized to execute and deliver this Lease on behalf of such entity and that this Lease is binding upon such entity in accordance with its terms.

16.15 No Light, Air or View Easement. Any diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to the Premises shall not in any way affect this Lease or impose any liability on Landlord.

16.16 Entire Agreement. This Lease, along with any Exhibits affixed hereto, constitutes the entire and exclusive agreement between Landlord and Tenant relative to the Premises.

16.17 Recording. Tenant shall not record this Lease; provided, however, that concurrently with the execution of this Lease, the parties may execute a notice of lease in statutory form which Tenant may record in the Middlesex North Registry of Deeds.

16.18 No Modification. This Lease may not be changed, modified, abandoned or discharged, in whole or in part, nor any of its provisions waived, except by a written instrument which is executed by both parties hereto.

16.19 No Representations, Warranties or Liability. Neither Landlord nor Landlord's agents or attorneys have made any representations or warranties with respect to the Premises or this Lease except as expressly set forth herein, and no rights, easements or licenses are or shall

be acquired by Tenant by implication or otherwise. Except as otherwise provided herein, Landlord's liability under this Lease shall be limited to Landlord's interest in the Premises, it being specifically agreed that in no event shall Landlord, or any manager, officer, member, or other principal or representative of Landlord ever be personally liable for any judgment or other liability or for the payment of any monetary obligation of Tenant.

16.20 Limitation of Liability. Neither the partners comprising Landlord, nor the partners, directors, officers, parent companies or subsidiary companies of any of the foregoing (collectively the "Parties") shall be liable for the performance of Landlord's obligations under this Lease. Tenant shall look solely to Landlord to enforce Landlord's obligations hereunder and shall not seek any damages against any of the Parties. The liability of Landlord for Landlord's obligations under this Lease shall not exceed and shall be limited to Landlord's interest in the Premises and Tenant shall not look to the property or assets of any of the Parties in seeking either to enforce Landlord's obligations under this Lease or to satisfy a judgment for Landlord's failure to perform such obligations.

16.21 Consents. Tenant hereby waives any monetary claim against Landlord which it may have based upon any assertion that Landlord has unreasonably withheld or unreasonably delayed any requested consent, and Tenant agrees that its sole remedy shall be an action or proceeding to enforce any such provision or for specific performance, injunction or declaratory judgment. In the event of such a determination, the requested consent shall be deemed to have been granted; however, Landlord shall have no liability to Tenant for its refusal to give such consent. The sole remedy for Landlord's unreasonably withholding or delaying of consent shall be as provided in this Section.

16.22 Waiver. The failure of Landlord to exercise its rights in connection with any breach or violation of any term, covenant, or condition herein contained, shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptances of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such proceeding breach at the time of acceptance of such Rent.

16.23 No Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate any and all existing subleases or sub-tenancies, or operate as an assignment to Landlord of any or all of such subleases or sub-tenancies.

16.24 Triple Net Lease. It is understood and agreed that this Lease is and shall be a so-called triple net lease, so that, except as expressly provided herein, all tax, maintenance and insurance costs, expenses and charges of every kind and nature relating to the Premises and/or the use and occupancy thereof which may become due during the Initial Term, if applicable, shall be paid by Tenant when due without notice, demand, abatement, deduction or set-off.

16.25 Non-Disturbance Agreements. Tenant may have a Non-Disturbance agreement in a form reasonably acceptable to Tenant from any lenders or mortgagor as a condition to any subordination of its interests.

16.26 Limitation on Landlord Rights. During the term hereof, Landlord shall not have the right to grant and lease, license, or other occupancy or use rights to third parties with respect to the Premises. Tenant shall have the right, upon notice to Landlord, but without the requirement of obtaining Landlord's consent, to enter into licenses and other agreements with telecommunications providers whereby such providers may install telecommunications dishes, antennae, and related equipment. on the Premises, and Landlord shall not be entitled to receive any additional compensation in connection therewith.

LANDLORD:

PAGSON, LLC, a Delaware limited liability company

By: /s/ William J. Roderick, Jr.
Its: President

TENANT:

PATRIOT CARE CORPORATION, a Massachusetts non-profit corporation,

By: /s/ Robert Mayerson
Its: President

Exhibit 10.2

Execution Final

LEASE AGREEMENT

DATED AS OF APRIL 30TH, 2015

BY AND BETWEEN

EASTMAN KODAK COMPANY,

LANDLORD

AND

COLUMBIA CARE NY, LLC,

TENANT

PREMISES:

PORTION OF EASTMAN BUSINESS PARK BUILDING, EAST SECTION (EBP-E),
BUILDING 12, FOURTH FLOOR

ROCHESTER, NEW YORK

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of April 30th, 2015 (this "Lease" or this "Agreement"), is entered into by and between **EASTMAN KODAK COMPANY,** a New Jersey corporation ("Landlord"), and **COLUMBIA CARE NY, LLC,** a New York limited liability company ("Tenant").

1. PREMISES.

(a) Definition of Premises. Landlord hereby leases unto Tenant and Tenant hereby accepts from Landlord, approximately 58,346 usable square feet of space (the "Premises") located on the fourth floor of that certain building known as Building 12 (the "Building"), located at the manufacturing plant known as Eastman Business Park ("EBP"), in the City of Rochester, County of Monroe, and the State of New York. Floor plans showing the location of the Premises in the Building are attached hereto as **EXHIBIT A** and made a part hereof. A map showing the location of the Building is attached hereto as **EXHIBIT B** and made a part hereof. The Premises shall also include the right to use in common with other occupants of the Building access and delivery areas designated by Landlord from time to time as reasonably required for the use of the Premises, cafeteria areas (if any) and other common areas appurtenant to the Building (including the loading docks) (collectively, the "Common Areas"), subject to reasonable rules and regulations imposed by Landlord.

(b) Option for Expansion of Premises.

(i) Defined. Landlord hereby grants Tenant the right ("Expansion Rights") to lease additional space located on the third, fifth, and/or sixth floor of Building. Floor plans showing the location of such additional space on the third, fifth, and sixth floors are attached hereto as **EXHIBIT C.** The additional space subject to Tenant's Expansion Rights on the third floor of the Building is approximately 58,389 usable square feet of space and on the fifth floor of Building is approximately 58,005 usable square feet of space. The additional space subject to Tenant's Expansion Rights on the sixth floor of Building is approximately 33,576 usable square feet of space.

(ii) First Year Expansion Rights. For a period of one (1) year following the Rent Commencement Date (hereinafter defined), Tenant's Expansion Rights shall be exclusive and Landlord shall not lease the third, fifth, or sixth floors of Building to any party but Tenant during this period. Tenant may exercise such Expansion Rights by written notice to Landlord not less than sixty (60) days prior to the date of Tenant's planned occupancy. Such written notice must specify the additional space it plans to occupy and such exercise may be in increments of 50% of the total usable square feet of each of said third, fifth, or sixth floors. Base Rent and Additional Rent for the additional space subject to Tenant's Expansion Rights shall be at the then-current Rent (including Base Rent and Additional Rent as hereinafter defined) in effect pursuant to the terms of this Lease on the date of Tenant's exercise of its Expansion Rights.

(iii) Later Expansion Rights. At the expiration of one (1) year from the date of Rent Commencement, Landlord hereby grants Tenant the first right of refusal, on a continuing basis, to lease the additional space located on the third, fifth, or sixth floor of Building. Landlord shall provide Tenant with notification (by overnight delivery to Tenant) of the interest of a prospective tenant in leasing any of such additional space. Tenant shall have ten (10) business days from the date of receipt to exercise its first right of refusal as to such additional space upon the then-

current terms contained in this Lease by written notice delivered to Landlord within such ten (10) business day time period and Landlord and Tenant shall thereafter arrange the execution of an amendment to this Lease within thirty (30) days thereafter.

(iv) Term Relating to Expansion Rights. In the event Tenant exercises its Expansion Rights (whether such rights are exercised in the one year period following the Rent Commencement Date or by Tenant's first right of refusal thereafter) with less than three years remaining in Lease Term, Tenant hereby agrees it shall extend the Lease Term for the Premises so that there are a minimum of five (5) years remaining in said Lease Term from the date of Tenant's exercise of its Expansion Rights. Upon Tenant's exercise of its Expansion Rights herein, whether such rights are exercised in the one year period following the Rent Commencement Date or by Tenant's first right of refusal, the additional space which Tenant exercises its Expansion Rights for, shall become a part of the definition of Premises above.

(c) Condition of Premises. Within thirty (30) days after the satisfaction of the contingency set forth in Section 2(b) below, Landlord shall first make any improvements to the space to make it legally rentable in accordance with the required building codes, such improvements being at the sole cost and responsibility of Landlord, and thereafter Tenant accepts the Premises, and any additional space subject to Tenant's Expansion Rights, in "as-is" condition. Tenant's taking possession of the Premises shall be conclusive evidence against Tenant that the Premises were in good order and satisfactory condition when Tenant took possession. Landlord shall provide Tenant with reasonable opportunity to inspect the Premises prior to taking possession. No promises of Landlord to alter, remodel, repair or improve the Premises or the Building and, other than those expressly set forth herein, no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant. In addition, Tenant acknowledges that the City of Rochester may require approval of and/or changes to fire code access and compliance with the Americans with Disabilities Act (and other laws) and that any such approvals and/or changes shall be the sole responsibility of Tenant and Tenant acknowledges that all uses must be fully compliant with current building codes for this section of EBP, and as such, this Lease is subject to a use review with City of Rochester Planning Board. Any Alterations (as hereinafter defined) desired by Tenant must comply with all provisions of this Lease including, but not limited to, the provisions of Paragraph 11 (d) herein.

2. TERM.

(a) Lease Term. The initial term of this Lease (the "Lease Term") shall commence on the first day of the month following the date Tenant receives all Tenant's Approvals (defined below) (the "Commencement Date") and continue for a period of seven (7) years and four (4) months, subject to Tenant's right to terminate this Lease prior to the Commencement Date (described in Section 2[b][i] below), and shall end on the earlier of (i) midnight on the date after seven (7) years and four (4) months or (ii) the earlier termination or cancellation of this Lease in accordance with the terms hereof (the "Expiration Date").

(b) Contingency. This Lease and the obligations of each party hereunder are expressly contingent upon Tenant's receipt of all necessary licenses, permits, or other approvals (hereinafter, "Tenant's Approvals") from the State of New York, the City of Rochester, the County of Monroe, or any other governmental, quasi-governmental, or any other authority authorizing Tenant to operate as a "registered organization" organized for the purpose of acquiring, processing,

manufacturing, selling, delivering, transporting, distributing or dispensing medical marihuana in accordance with the requirements of title 5-A of article 33 of the Public Health Law of the State of New York. If at any time prior to January 1, 2016, Tenant determines in good faith that it will not receive Tenant's Approvals or Tenant is denied the receipt of Tenant's Approvals, Tenant shall notify Landlord of same and either party may terminate this Lease by written notice given to the other. Tenant agrees to use its commercially reasonable efforts to apply for and diligently pursue Tenant's Approvals and to notify Landlord within five (5) days after all Tenant's Approvals have been awarded or otherwise given or denied to Tenant. At Tenant's option, Tenant may extend its termination rights pursuant to this Section 2(b) by an additional three month period subsequent to January 1, 2016. Tenant may exercise this three month extension by written notice to Landlord on or before December 1, 2015. Upon exercise of the three month extension, Tenant may exercise its termination rights pursuant to this section at any time prior to April 1, 2016. Tenant shall pay Landlord the amount of $5,000 on the first day of each month of the extension period.

(c) Early Termination Right.

(i) By Tenant After the Commencement Date. Tenant shall have right to terminate this Lease after the Commencement Date, provided that Tenant shall not be in default under this Lease at the time of the giving of such notice of termination. In order to exercise this right of termination, Tenant must: (A) provide Landlord with thirty (30) days' prior written notice of its exercise of this termination right; (B) deliver written evidence reasonably satisfactory to Landlord of Tenant's loss of any of Tenant's Approvals (and/or the loss of any other required future governmental approval for the uses for which the Premises is then being occupied and operated); and (C) pay to Landlord a termination fee (the "Termination Fee") as hereinafter set forth. The Termination Fee shall be the sum of: (1) one month's then current Base Rent; **plus** (2) one month of Additional Rent (which for this purpose shall be equal the actual Additional Rent payable by Tenant for Utility Services Charges (pursuant to **EXHIBIT D** for the month immediately prior to the termination) **plus** one month of the Security Services Fee (as hereinafter defined) **plus** one month of CAM Fee (as hereinafter defined); **plus** (3) all unamortized real estate commissions; **plus** (4) all unamortized other expenses incurred by Landlord in connection with the negotiation and execution of this Lease (including attorneys' fees), which unamortized amounts shall be determined by Landlord using a discount rate equal to six percent (6.0%). The Termination Fee shall be computed by Landlord within ten (10) business days after Tenant provides the 30 day notice referenced in Section 2(c)(i)(A) above and such computation shall be provided to Tenant by overnight delivery. Within five (5) business days of Tenant's receipt of the Termination Fee computation, Tenant, upon written request, shall have the right to access and/or obtain copies of any and all reasonable documentation or other reasonable evidence which provides the basis for the amounts Landlord has included in the Termination Fee computation. If Tenant fails to make such request within such five (5) business days, Tenant shall lose its rights to access said documentation. The Termination Fee shall be paid by Tenant on or before the expiration of thirty (30) days of the date of Tenant's termination notice provided pursuant to Section 2(c)(i)(A). . Failure to pay the Termination Fee at the time set forth herein shall constitute a default and shall nullify Tenant's right to terminate this Lease pursuant to the provisions of this Section 2(c)(i).

(ii) Conditions Applicable to Termination. Upon any termination of this Lease by either party in accordance with the provisions of this Section 2(c), Tenant shall surrender the Premises to Landlord in accordance with the provisions of Sections 3(d)(ii), 11(d) and 35 hereof. Notwithstanding any termination hereof, Tenant shall be expressly bound by all of the terms, conditions and provisions of this Lease until Tenant has vacated the Premises and surrendered the same as provided herein.

3. TENANT'S USE OF AND ACCESS TO THE PREMISES

(a) Permitted Uses. The Premises shall be occupied and used by Tenant for the purpose of acquiring, processing, manufacturing, selling, delivering, transporting, distributing or dispensing medical marihuana as a "registered organization" in accordance with the requirements of title 5-A of article 33 of the Public Health Law of the State of New York and for warehousing purposes associated therewith (collectively, the "Medical Marihuana Uses"), and for no other purpose whatsoever, except as may be reasonably agreed upon in writing by Landlord and Tenant and, if applicable, a permitted assignee of Tenant. Only after strict compliance with the terms of this Lease including, but not limited to, the provisions of Paragraph 11(d) herein, Tenant shall be permitted to perform any and all ancillary work necessary to support Tenant's business as a "registered organization" operating in compliance with title 5-A of article 33 of the Public Health Law of the State of New York. Tenant is expressly prohibited from using the Premises for any purpose (including storage) which involves any processes and/or materials (including but not limited to any chemicals) if Landlord advises Tenant that such are reasonably deemed by Landlord to cause any additional liability to Landlord. Provided that Tenant continues to be in compliance with applicable state law, the preceding sentence shall not be construed to limit Tenant's use of the Premises as a "registered organization", as indicated above, in any way.

(b) Tenant's Access to the Premises. Subject to the reasonable security and operating policy of Landlord, written notice of which shall be provided to Tenant, Tenant is entitled to 24 hours per day, 365 days per year access to the Premises.

(c) Restrictions on Tenant's Activities. Tenant shall comply and shall cause all of its agents, contractors, employees, visitors and any others using the Premises to comply with each and every restriction and requirement set forth in the Rochester Site Requirements for Tenants (the "Site Requirements") promulgated by Landlord and attached hereto as **EXHIBIT E** and made a part hereof. At any time and upon reasonable prior notice to Tenant, Landlord reserves the right to promulgate and enforce additional rules and regulations with respect to Tenant's use and occupancy of the Premises. However, Landlord shall not promulgate any rules or regulations which would prohibit Tenant's Medical Marihuana Uses indicated in Paragraph 3(a) above.

(d) Tenant's Rights to Use IT Facilities. Subject to the terms of the following subsections, during the Lease Term, at no additional cost to Tenant, Tenant and its employees shall have the right to use, and access to, the telecommunication facilities located in the Premises and the Building as described below:

(i) Frame/Demarcation Room. Tenant shall have the right to have access to, in common with Landlord, the existing frame/demarcation room (the "Demarcation Room") in the Building (in which the telecommunications connections from the Building to areas outside the Building are located) from time to time upon advance request by Tenant to Landlord. Landlord, Tenant and any other tenant or occupant having access to the Demarcation Room shall reasonably cooperate to isolate, to the extent reasonably possible within the Demarcation Room, each party's equipment and cabling located in the Demarcation Room. Landlord may require Tenant to be escorted by a representative of Landlord to the Demarcation Room.

(ii) Wireless Network. Tenant shall not install at the Premises any wireless network ("Wireless Network") without advance written consent of Landlord, which consent shall not be unreasonably withheld. In the event Tenant desires to install a Wireless Network, Tenant shall first submit to Landlord plans and specifications therefor for Landlord's review as part of Landlord's determination of whether to approve the Wireless Network installation. If Landlord shall determine, in its sole discretion, that the Wireless Network proposed to be installed by Tenant fails to comply with Landlord's standards for such networks in the Building or at EBP, or would cause interference with the operation of wireless or other networks of Landlord at the Building or at EBP, then Landlord shall have the right to withhold its consent to Tenant's proposed Wireless Network, and such failure to consent shall not be deemed unreasonable for purposes of this Subparagraph 3(d)(ii).

(iii) Conditions Upon Surrender. Upon the Expiration Date, Tenant shall, subject to Sections 11(d) and 35, surrender in place to Landlord any horizontal, Premises cabling and any riser cabling used by Tenant at the Building, regardless of whether such cabling exists on the Commencement Date or is later installed by Tenant.

4. RENT

(a) Base Rent. Tenant shall pay to Landlord as base or fixed rent (the "Base Rent"), in U.S. legal tender, at the following address: Eastman Kodak Company, 343 State Street, Rochester, New York 14650-0207, Attention: Kodak Real Estate, Lease Administration & Field Operations, or as otherwise directed from time to time by Landlord's written notice, the following amounts:

MONTHS	RENT PER SQUARE FOOT	ANNUAL RENT*	MONTHLY RENT*
1-36	$ 6.50	$ 379,249.00	$ 31,604.08
37-48	$ 6.63	$ 386,833.98	$ 32,236.17
49-60	$ 6.76	$ 394,418.96	$ 32,868.25
61-72	$ 6.90	$ 402,587.40	$ 33,548.95
73-84	$ 7.04	$ 410,755.84	$ 34,229.65

* These amounts are based on the initial Premises of 58,346 square feet and will be subject to change if Tenant exercises any of its Expansion Rights.

The Base Rent shall be paid in equal monthly installments as shown above. Tenant and Landlord agree that no Base Rent shall be due from Tenant for the four months following Commencement Date. The first installment of Base Rent shall be paid on the first day of the fifth month following the Commencement Date ("Rent Commencement Date") and, thereafter, each installment of Base Rent shall be paid promptly on the first day of every remaining calendar month of the Lease Term, and pro rata, in advance, for any partial month, without demand, the same being hereby waived, and without any set-off or deduction whatsoever except as otherwise expressly provided in this Lease.

The monthly payment shall be pro-rated for any partial month during the Lease Term. Any payment required to be made by Tenant under the provisions of this Lease not made by Tenant when and as due shall thereupon be deemed to be due and payable by Tenant to Landlord on demand with interest thereon at the rate of ten percent (10%) per annum computed from the date when the particular amount became due to the date of payment thereof to Landlord. In addition, subject to the terms of Section 17 of this Lease, if Tenant fails to timely pay any installment of Base Rent or Additional Rent (as hereinafter defined), a late charge will be due and owing at the rate prescribed in Section 17 of this Lease upon any Base Rent and/or Additional Rent (defined below) not paid by the fifth (5th) business day after the date on which such Rent is due.

(b) Reduction in Base Rent. In the event Tenant exercises its Expansion Rights such that the total space leased by Tenant is 75,000 square feet or more, Landlord shall discount the total space or square footage leased by Tenant by $0.50 per square foot per year for the remainder of the Lease Term from and after the date on which the Premises contains 75,000 square feet of space or more.

(c) Costs and Expenses Deemed Rent. All costs and expenses which Tenant agrees to pay to Landlord pursuant to this Lease shall be deemed additional rent ("Additional Rent") and, in the event of non-payment thereof, Landlord shall have all the rights and remedies herein provided for in case of non-payment of Rent (below defined). Included as Additional Rent are: (i) the Security Services Fee set forth in Section 5(b)(ii) below; and (ii) the CAM Fee set forth in Section 5(b)(vi) below.

(d) Sales Tax. In the event any sales, rent or occupancy tax should be assessed against all or part of the Base Rent or any Additional Rent, Tenant shall reimburse Landlord for such tax as Additional Rent hereunder within twenty (20) days of invoice by Landlord.

(e) Rent. The Base Rent together with the Additional Rent described in this Section 4 will be collectively referred to herein as Rent.

5. SERVICES

Except as otherwise provided, the following services shall be provided by Landlord at no additional cost to Tenant, except as otherwise specified in this Section 5 below:

(a) Utilities. From and after the Rent Commencement Date (but not before such date), subject to and on the terms, limitations and conditions contained in this subsection (a) and subsections (c), (f) and (g) of this Section 5, Tenant shall purchase from Landlord and Landlord shall use its reasonable efforts to supply to Tenant at the Building the utility services (the "Utility Services") listed below in the quantities and at the times reasonably requested by Tenant; and furthermore provided that Landlord shall apply commercially reasonable efforts to, in the case of service interruption, restore services to Tenant at the Premises. Landlord shall be responsible for delivering such Utility Services to the point of entry at the Building, and Landlord shall maintain, at Landlord's cost and expense, all necessary infrastructure to make such deliveries to the point of entry at the Building. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all costs, expenses, liabilities and damages of any kind (including reasonable attorneys' fees) resulting from damage or injury of any kind to Tenant's property located at the Premises, or to Tenant's employees, agents, contractors or invitees or their property while located at the Premises, arising in connection with Landlord's providing of the services listed below in this subsection (a), except to the extent directly resulting from the negligence or willful misconduct of Landlord, its employees or agents.

(i) Steam. Landlord shall provide steam services used by Tenant for heating the Building and in the conduct of its manufacturing operations in the Premises.

(ii) Electric Energy. Landlord shall provide electrical energy used by Tenant for heat, air-conditioning, lighting and other services, and for the conduct of its manufacturing operations in the Premises.

(iii) Water. Landlord shall furnish hot and cold water to the Building for drinking and ordinary cleaning purposes. In addition, Landlord shall provide a source of fire protection water, an independent source of process water for Tenant's use in the conduct of its operations at the Premises, and an independent source of demineralized water for use by Tenant in the conduct of its operations at the Premises.

(iv) Chilled Water. Landlord shall provide chilled water services used by Tenant for cooling the Building and in the conduct of its manufacturing operations in the Premises.

(v) Compressed Air. Landlord shall provide compressed air used by Tenant in the conduct of its manufacturing operations in the Premises.

(b) Site Services to be Supplied by Landlord. Subject to subsections (c), (f) and (g) of this Section 5, Landlord shall provide the following services to Tenant at the Premises:

(i) Elevator Service. Building elevator service, if any, shall be available at all times, subject to reasonable maintenance requirements. Tenant shall have exclusive use of a freight elevator to access the Premises.

(ii) Sanitary Sewer Service. Landlord shall provide Tenant with the right to use the existing sanitary sewer currently owned by Landlord and the public sanitary sewer (collectively called the "Sanitary Sewer"), to the extent each of these service the Building in which the Premises is located, provided that Tenant shall, with respect to its use of the Sanitary Sewer, promptly comply with the requirements imposed by Landlord now or in the future on all users of the Sanitary Sewer of which Tenant is given notice. Tenant shall have no right to use the industrial sewer at any time.

(iii) Emergency Services; Security. Landlord shall provide fire and explosion prevention, hazmat, emergency medical services and related services with respect to the Premises (collectively, the "Emergency Services") at the Building throughout the Lease Term and shall also provide site perimeter security services (the "Security Services") at the Building. Landlord shall charge Tenant for such security services (the "Security Services Fee") as Additional Rent and such Security Services Fee shall be computed at the rate of **50 CENTS ($0.50)** per square foot per year and shall be paid for the Premises in the annual amount of **TWENTY NINE THOUSAND ONE HUNDRED SEVENTY THREE DOLLARS ($29,173.00),** payable in monthly installments of **Two THOUSAND FOUR HUNDRED THIRTY ONE DOLLARS AND 8 CENTS ($2,431.08)** each, subject to change if Tenant exercises its Expansion Rights. Such Emergency Services and Security Services shall be provided in the manner provided by Landlord to, and as part of the fire and emergency protection system and perimeter security services established by Landlord to provide Emergency Services and Security Services to the operations conducted by Landlord adjacent to the Premises in the Building and at other buildings at EBP. Landlord shall provide security badges to Tenant's employees and non-employees (contractors) to access the Premises, the cost of which shall be paid

as Additional Rent, or Tenant shall obtain said security badges at its own cost; provided, however, that Tenant must obtain prior approval from Landlord's Worldwide Corporate Security Office for security badges not obtained from Landlord. In addition, Landlord shall provide Tenant with fire protection services, including emergency response and related services ("Fire Protection Services"), in the manner provided by Landlord from time to time during the Lease Term to, and as a part of the fire protection system established by Landlord to provide fire protection services to, the manufacturing operations conducted in the Building and other buildings owned by Kodak adjacent to or in the vicinity of the Building. Notwithstanding anything else to the contrary contained in this Lease, Landlord shall not be responsible to Tenant, its employees or contractors for losses, injury (including personal injury) or damage sustained by Tenant as a result of a fire, explosion or any other event the presence of Emergency Services, Security Services and/or Fire Protection Services is designed to prevent or control.

(iv) Trash Removal; Bathroom Cleaning. Landlord shall provide trash and refuse removal services to Tenant on the same frequency as such services are provided to other occupants of the Building, which shall consist of the removal from the Premises by Landlord of normal quantities of trash and other non-hazardous materials discarded by Tenant, provided that such trash and material is placed by Tenant in designated dumpsters or other appropriate receptacles. Notwithstanding the foregoing, the parties expressly agree that Landlord shall have no obligation to remove or dispose of and no responsibility for any chemicals and/or any specially controlled or regulated waste (irrespective of whether such waste is hazardous or not) arising out of, generated or resulting from or otherwise released in connection with Tenant's use of and operations in the Premises, and Tenant shall be solely responsible for the removal and disposal of all such waste. Tenant will segregate trash as reasonably requested by Landlord to facilitate recycling as opportunities to recycle are developed by Landlord or required by law. In addition, in accordance with standards established by Landlord and procedures used by Landlord elsewhere in EBP, Landlord shall clean the bathrooms within and/or servicing the Premises.

(v) Site and Building Maintenance. Landlord shall maintain in good condition and repair the exterior of the Building, the Building's structural, mechanical and electrical systems, and all common areas of the Building (except for maintenance required within the Premises which shall be the responsibility of Tenant at its sole cost and expense), together with the Building grounds and utility delivery systems.

(vi) Snow Removal. Landlord shall cause snow to be removed from the parking areas and walkways adjacent to the Building to the same extent of snow removal provided to the parking areas and walkways at or adjacent to other buildings in EBP.

(vii) Common Area Maintenance Fee ("CAM Fee"). Landlord shall maintain all common areas of the Building and the costs of the same shall be billed to Tenant as Additional Rent. Such CAM Fee shall be computed at the rate of **ONE DOLLAR ($1.00)** per square foot per year, shall be paid for the Premises in the annual amount of **FIFTY EIGHT THOUSAND THREE HUNDRED FORTY SIX DOLLARS ($58,346.00),** payable in monthly installments of **FOUR THOUSAND EIGHT HUNDRED SIXTY TWO DOLLARS AND 17 CENTS ($4,862.17)** each, subject to change if Tenant exercises its Expansion Rights.

(viii) Dock Access. Tenant shall have the right to use the docks appurtenant to and located at the Building subject to reasonable rules and regulations imposed by Landlord.

(c) Interruptions in Service. It is understood that Landlord does not warrant that any of the services referred to above, or any other services which Landlord may supply, will be free from interruption. Tenant acknowledges that any one or more of such services may be suspended by reason of accident or of repairs, alterations or improvements necessary to be made, or by strikes or lockouts, or by reason of operation of law, or causes beyond the reasonable control of Landlord. No such interruption of service shall be deemed an eviction or disturbance of Tenant's use and possession of the Premises, or any part thereof, or render Landlord liable to Tenant for damages by abatement of Rent or otherwise, direct or consequential, nor shall any such interruption relieve Tenant from performance by Tenant of its obligations under this Lease.

(d) Additional Work or Services. Notwithstanding any other provisions herein, should Tenant require any work or services other than those described above in this Section 5, Landlord may upon advance request by Tenant furnish such additional service and Tenant agrees to pay Landlord, within twenty (20) days after invoice from Landlord, such charges as may be agreed on but in no event less than Landlord's actual cost plus overhead plus any applicable taxes imposed for the additional services provided. Any such request shall require at least one business day's advance notification. Nothing in this Subsection 5(d) shall imply an obligation upon Landlord to furnish such additional services or a restriction against Tenant contracting with a third party, or third parties, for the provision of such services. In the event Tenant contracts with a third party for the provision of any additional work or services, Tenant shall pay the cost thereof directly to such third party and no overhead, taxes or any other fee or charges shall be payable to Landlord in connection therewith.

(e) Excluded Services. Notwithstanding the foregoing, Tenant shall be responsible for supplying and paying directly for the costs of the following:

(i) All data and telecommunications services (including internet access and service and any connectivity provided in any Landlord buildings and/or common areas).

(ii) Removal, disposal and management of any hazardous waste and for all chemical and/or specially controlled or regulated waste (irrespective of whether such is hazardous or not) arising out of, generated or resulting from or otherwise released in connection with Tenant's use of and operations in the Premises.

(iii) Maintenance and repair of the Premises and all of Tenant's furniture, fixtures and equipment located within the Premises together with any necessary services related to same.

(iv) All mail service and package delivery in and to the Building.

(v) Maintenance and repair of any lights and lighting fixtures within the Premises.

(vi) Except for Building perimeter security as described above, Tenant shall be responsible for all security (including installation and maintenance of same, subject expressly to the terms of this Lease).

(vii) All air handling for any industrial processes. Any changes required to the Premises or the Building as a result of such responsibility shall be made in full compliance with the provisions of this Lease.

(viii) All cleaning and janitorial services necessary to keep the Premises in a clean, neat and orderly manner.

(ix) Office equipment and supplies such as computers, copiers, printers and fax machines.

(f) Discontinuance of Services. Notwithstanding the foregoing, Landlord may elect to cease to provide one or more of the services listed in this Section 5 to Tenant if Landlord has ceased to provide such service to a substantial portion of the Building and adjacent buildings in EBP, by delivering notice of the cancellation of such service no less than six (6) months prior to the effective date of such cancellation, provided that replacement service or services are at such time generally available to Tenant, or if Landlord is prohibited from providing such services to Tenant by law, regulation or requirement of a governmental entity having jurisdiction over the Premises by delivering notice of the cancellation to Tenant promptly upon notice to Landlord of such application of such law, regulation or requirement and in any event no less than twenty (20) days prior to the effective date of such cancellation.

(g) Charges for Services.

(i) Charges for Utility Services. Tenant agrees to pay Landlord, as Additional Rent, for the Utility Services, the amounts of Utility Services Charges (as defined in paragraph 2 of **EXHIBIT D** attached hereto and made a part hereof) computed in accordance with the provisions of such **EXHIBIT D,** which is entitled "Utility Services Charges".

(ii) Payments for Services and Expenses. Landlord shall deliver to Tenant electronic or other form of statements of charges for Utility Services Charges on or after the last day of each month during the Lease Term for Utility Services provided by Landlord or made available to Tenant during such month. The Utility Services Charges provided on the statement shall be an amount equal to the rate per unit applicable to the calendar year including the month with respect to which the statement relates multiplied by the number of units actually consumed by Tenant at the Building during such month or, where such actual consumption cannot be measured, Landlord's reasonable estimate of the number of units actually consumed by Tenant at the Building during such month. Each such statement of charges shall be due and payable by Tenant within twenty (20) days after receipt of the statement.

(h) Landlord's Obligations Relating to Providing Utilities and Services. Subject to and on the terms, limitations and conditions contained in this Section 5, Landlord shall use its reasonable efforts to supply to Tenant at the Premises, the utilities and services listed herein. It is understood and agreed that Landlord shall apply the same efforts to, and shall place the same level of priority on providing or, in the case of service interruption, restoring, services to Tenant as Landlord would apply to or place on the providing or restoring of services for any other user of such services in the Building or elsewhere at EBP. Landlord shall be responsible for delivering such utilities and services to the point of entry at the Premises, and Landlord shall maintain, at Landlord's cost and expense, all necessary infrastructure to make such deliveries to the point of entry at the Premises.

6. WAIVER OF CERTAIN CLAIMS

Except to the extent that the following is inconsistent with the provisions of Sections 19 and 30, Tenant, to the extent permitted by law, waives all claims it may have against Landlord, and against Landlord's agents, employees and contractors for damages for injuries to person or damage to property sustained by Tenant or by any occupant of the Premises, or by any other person, resulting from any part of the Premises or any equipment or appurtenances becoming out of repair,

or resulting from any accident in or about the Building or the Premises or resulting directly or indirectly from any act or neglect of Tenant, its employees, agents, representatives or contractors or of any other person, except that this waiver shall not apply to, and Landlord shall indemnify, defend and hold Tenant and its agents, employees and contractors harmless against any damages (other than indirect or consequential damages) for injuries to persons or damage to property to the extent caused by or directly resulting from the gross negligence or willful misconduct of Landlord or its employees or agents unless, with respect to property damage, such loss is or would be covered by the standard form of all risk property damage insurance whether or not Tenant self-insures part or all of said coverage and whether or not such insurance would actually provide compensation to Tenant after taking into account deductibles and other similar policy limitations. This waiver, when applicable, shall include not only direct damages but also claims for consequential damages and any claims for abatement of Rent due hereunder, it being intended that this waiver be absolute, except as otherwise expressly provided herein.

7. INSURANCE

Tenant shall, at its expense, procure and maintain during the Lease Term the following insurance coverage which may be satisfied by any combination of primary and excess or umbrella liability insurance policies:

(a) Workers' Compensation. Insurance protecting Tenant from any and all claims under applicable Workers' Compensation statutes or any similar statutes or requirements.

(b) Employer's Liability. Employer's Liability coverage with a limit of liability not less than **ONE HUNDRED THOUSAND DOLLARS ($100,000.00).**

(c) Commercial General Liability. Commercial General Liability Insurance covering all claims of damages for all injuries, including death and all claims on account of property damage with a limit of liability not less than **THREE MILLION DOLLARS ($3,000,000.00)** per occurrence and aggregate, combined single limit for bodily injury ("BI") and property damage ("PD"). Such commercial general liability insurance shall include coverage of the contractual liability assumed in this Lease. Tenant shall have the right to insure and maintain the liability insurance coverages set forth in this paragraph 7(c) using any combination of primary and excess coverage and under blanket insurance policies covering other premises occupied by Tenant so long as such blanket policies comply as to terms and amounts with the insurance provisions set forth in this Lease; and Landlord shall be named as an additional insured on each such policy.

(d) Comprehensive Automobile Liability. Comprehensive Automobile Liability Insurance with respect to any and all owned, hired and non-owned vehicles to be used by Tenant or any agent, employee, representative or subcontractor of Tenant on or about the Premises or in connection with the use of property or any other real property owned by Landlord with a limit of liability not less than **ONE MILLION DOLLARS ($1,000,000.00)** combined single limit BI and PD, naming Landlord as an additional insured. Notwithstanding the foregoing, if and for so long as Tenant is not the registered owner or lessee of any vehicles, Tenant may satisfy the requirements of this Section 7(d) by providing liability coverage with a limit of liability of not less than **ONE MILLION DOLLARS ($1,000,000.00)** with respect to non-owned vehicles only, and such coverage may be obtained as part of Tenant's commercial general liability policy instead of in a separate policy.

(e) All Risk Property Damage Insurance. All risk property damage insurance covering all personal property of Tenant at the Premises, including equipment, machinery, stock, supplies and leasehold improvements for the full replacement value of such property. It is understood and agreed that Landlord shall have absolutely no liability or responsibility for any damage or loss occurring to Tenant's personal property.

(f) Requirements. The primary insurance required to be maintained hereunder shall be maintained under policies issued by insurers rated not less than A in Best's insurance reports or a comparable rating in an equivalent insurance report and which are licensed to do business in the State of New York and being of recognized responsibility. Tenant's policies shall:

(i) Name Landlord as additional insured on the commercial general and any excess liability policy required hereunder;

(ii) Use commercially reasonable efforts to provide for thirty (30) days' notice to Landlord prior to any amendment, change, modification, lapse or cancellation of coverage; and

(iii) Be written on an "occurrence" basis and as primary policy coverage and not contributing with or in excess of any coverage which Landlord may carry.

(g) Certificates. Tenant shall furnish Landlord with a certificate of insurance within ten (10) days before the Commencement Date showing the coverage required and thereafter such evidences of coverage shall be furnished by Tenant to Landlord not less than ten (10) days prior to the expiration date of each such policy.

(h) Third Parties. If Tenant contracts with any third party to perform any services or permits such a third party to conduct any activity of any kind at the Premises, Tenant shall direct such third party to maintain insurance in the types and amounts reasonably sufficient to protect Landlord and Tenant from any and all liabilities and damages. The amount of such insurance carried by any third party shall not limit Tenant's liability hereunder. Tenant shall be responsible for the consequences of any failure of any such third party to maintain such insurance, and Tenant shall indemnify, defend and hold Landlord harmless from each and every claim for liability for injuries to persons or damage to or loss of property occurring at the Premises due to any negligent acts or omissions by Tenant's contractors or agents.

(i) No Limitations on Liability. The liability of Tenant and Landlord or any third parties relating to either Landlord or Tenant shall not be limited to the insurance required to be maintained as part of this Lease.

8. MUTUAL RELEASE AND WAIVER OF SUBROGATION

Landlord and Tenant hereby waive on behalf of themselves and their respective insurers, any claims that either actually may have against the other for loss or damage to their respective property resulting from perils covered by the standard form of all risk property damage insurance, including vandalism and malicious mischief coverage. It is understood that this waiver is intended to extend to all such loss or damage whether or not the same is caused by the fault or neglect of either Landlord or Tenant and whether or not insurance is in force. If required by policy conditions, each party shall secure from its property insurer a waiver of subrogation endorsement to its policy, and deliver a copy of such endorsement to the other party to this Lease if requested.

9. HOLDING OVER

If Tenant fails to vacate the Premises (or any portion thereof) on the Expiration Date, then Tenant shall pay Landlord Base Rent at 150% of the monthly rate then in effect immediately prior to such holdover period as specified in Section 4 for the time Tenant thus remains in possession. Tenant shall also indemnify and hold Landlord harmless from and against any and all cost, expense, damage, claim, loss or liability resulting from any delay or failure by Tenant in so surrendering the Premises, including any consequential damages (including, but not limited to, (i) any rent or other income foregone by Landlord from another tenant; (ii) any and all additional costs incurred by Landlord in preparing the Premises or any other space for use by another tenant or for Landlord's own use arising as a result of Tenant's retention of possession; and (iii) any damages, holdover rent charges or other amounts payable by or chargeable against Landlord as a direct or indirect result of Tenant's retention of possession) suffered by Landlord and any claims made by any succeeding occupant founded on such delay or failure, and any and all reasonable attorneys' fees, disbursements and court costs incurred by Landlord in connection with any of the foregoing. The provisions of this Section 9 do not exclude Landlord's rights of re-entry or any other right or remedy of Landlord hereunder.

10. ASSIGNMENT AND SUBLETTING

(a) Prohibition. Except as otherwise provided herein, this Lease may not be assigned or the Premises or any part thereof sublet or used or occupied by any third party, nor may Tenant otherwise transfer the Lease or any rights to use the Premises (including any transfers by operation of law, including by merger of Tenant with or into another entity, or transfers of the majority of any stock of any corporate Tenant or any majority partnership or limited liability company interests of any partnership Tenant) without the prior written consent of Landlord, which consent may be granted or withheld by Landlord in its sole discretion. An assignment by Tenant of this Lease or a sublease of any portion of the Premises to a wholly-owned direct or indirect subsidiary of Tenant will require Landlord's consent but such consent will not be unreasonably withheld, conditioned or delayed. Any attempted transfer of this Lease in contravention hereof shall be null and void. No transfer of this Lease shall operate to release Tenant from its obligations under this Lease.

(b) Requirements. If Tenant desires to assign, sublease or otherwise transfer any right or interest in and to the Lease or the Premises, or any right to occupy the Premises, to any party, Tenant shall notify Landlord in writing of such proposed assignment, sublease or transfer. Such notice shall include a copy of the proposed written assignment, sublease or other agreement of transfer and such other information concerning the proposed assignment, sublease or transfer as Landlord may request. If Landlord grants its consent to such assignment, sublease or other transfer, Tenant shall promptly provide Landlord with a fully executed copy of the final assignment, sublease or other agreement of transfer.

(c) Deemed Assignment/Sublet. For purposes of this Section 10 the following shall be deemed an assignment or sublease, as the case may be, subject to the requirements of this Section:

(i) the transfer of more than thirty percent (30%) of the outstanding capital stock of any corporate tenant or subtenant or any increase in the amount of issued and/or outstanding shares of capital stock and/or the creation of one or more additional classes of common stock of any corporate tenant or subtenant with the result that the beneficial and record ownership in and to such tenant or subtenant changes by more than thirty percent (30%) from the beneficial and record

ownership as of the Commencement Date, or the transfer of more than thirty percent (30%) of any partnership interest in Tenant or any subtenant, if Tenant or subtenant is a partnership, however accomplished, whether in a single transaction or in a series of related or unrelated transactions;

(ii) any agreement by any other person or entity directly or indirectly, to assume Tenant's obligations under this Lease;

(iii) any transfer or series of transfers, by operation of law or otherwise, of Tenant's interest in this Lease, including without limitation the transfer of this Lease to a subsidiary or affiliate of Tenant and the subsequent transfer of stock or other ownership interest in such subsidiary or affiliate; and

(iv) each modification, amendment or extension of any sublease to which Landlord has previously consented shall be deemed a new sublease.

(d) Additional Information. Tenant agrees to furnish Landlord upon demand at any time, such information and assurances as Landlord may reasonably request that neither Tenant, nor any previously permitted subtenant, has violated the provisions of this Section.

(e) Rights of Landlord Upon Subletting. If, with the consent of Landlord, the Premises or any part thereof shall be sublet or occupied by anyone other than Tenant, Landlord may, after default by Tenant, collect rent from the subtenant or other occupant, and apply the net amount collected to the Rent herein reserved. If, without the consent of Landlord, the Premises or any part thereof shall be sublet or occupied by anyone other than Tenant, Landlord may collect rent from the subtenant or other occupant, and apply the net amount collected to the Rent herein reserved, provided, however, that no such collection shall be deemed a waiver by Landlord of the requirement to obtain its consent to such sublease or other occupancy nor an acceptance by Landlord of such sublease or other occupancy. In neither of the foregoing circumstances shall Tenant be relieved from its obligations under the Lease or from further performance by Tenant of any covenants on the part of Tenant herein contained.

(f) Rights of Landlord Upon Assignment. If this Lease or any interest herein is validly assigned under this Section 10 to another party, such assignment shall not relieve Tenant from its obligations under the Lease or from further performance by Tenant of any covenants on the part of Tenant herein contained, and Tenant shall at all times remain directly and primarily responsible therefor.

(g) Review and Approval Costs. Tenant agrees to pay to Landlord, on demand, the reasonable out-of-pocket costs incurred by Landlord in connection with any request by Tenant for Landlord to consent to any assignment or subletting by Tenant, including reasonable attorneys' fees.

11. USE OF PREMISES

Landlord and Tenant agree to comply with the following provisions regarding the use of the Premises.

(a) Compliance with Law.

(i) Generally. Unless expressly allowed herein with respect to Tenant's specific permitted Medical Marihuana Uses (and the current non-compliance of same under federal law), Tenant shall comply in all material respects with the covenants, agreements, terms, provisions and conditions of this Lease and any mortgage on the Premises of which Tenant has actual knowledge

and any applicable state or local law, ordinance or governmental regulation (including, without limitation, all environmental laws, rules, regulations or orders relating to the Premises). Tenant shall not make or permit to be made any use of the Premises or any part thereof that would reasonably be likely to be dangerous to life, limb, or property without the appropriate safety practices reasonably approved by Landlord, or which would reasonably be likely to invalidate or increase the premium of any policy of insurance carried on the Building, the Premises or covering its operation, unless Tenant is willing to pay the cost of any such increased premium or provide alternative, comparable insurance coverage reasonably acceptable to Landlord. Notwithstanding any term or provision to the contrary herein, Tenant shall not be required to comply with any federal law which is applicable to and prohibits Tenant's Medical Marihuana Uses in the Premises and Tenant's non-compliance with federal law with respect to such Medical Marijuana Uses shall not be considered a breach or default of this Lease. Tenant shall not use or permit the Premises or any part thereof to be used in any manner, nor shall it permit anything to be brought into or kept therein which, in the reasonable judgment of Landlord, would in any way impair the character, reputation or appearance of the Premises as a high quality facility or which would materially impair or interfere with any of the services performed by Landlord for the Premises. Tenant agrees to change, reduce or stop any such use or install at its expense necessary equipment, safety devices, pollution control systems or other installations at any time during this Lease to comply with the foregoing upon the written request of Landlord. Tenant shall have the right, upon written notice to Landlord, to contest the application of any such legal or other requirement to Tenant or its operations at the Premises, provided that Tenant shall pursue such contest with due diligence and also provided that Tenant shall indemnify, defend and hold Landlord harmless from any costs, penalties, losses, liabilities or other damages incurred or suffered by Landlord arising from Tenant's violation or alleged violation of any of the requirements of this subsection 11(a).

(ii) Health, Safety and Environmental Issues. Tenant agrees to comply with all health, safety and environmental rules and regulations of Landlord of which written notice has been provided to Tenant and of any governmental entities and/or regulatory agencies having jurisdiction over the Premises. Tenant agrees to designate, by written notice to Landlord, a representative who shall have authority to participate in facility meetings and other meetings of Landlord with respect to health, safety and environmental issues in the Building and at EBP. Such representative shall also serve as the contact person for any governmental entity (including any regulatory agencies) which has need to identify a contact person for such health, safety and environmental issues. Tenant shall maintain reasonably detailed records (and, subject to confidentiality and privilege considerations, make same available to Landlord upon reasonable request for same) relating to inventories of chemicals used and/or stored on or about the Premises and tracking records pertaining thereto. In no event shall the foregoing constitute Landlord's consent to the use and/or storage of any such chemicals and Tenant is expressly prohibited from using the Premises for any purposes (including storage) which involve any processes and/or materials (including, but not limited to, any chemicals) if such are deemed by Landlord to cause additional liability to Landlord, except as otherwise provided in Section 3(a) hereof.

(iii) Certification of Compliance. At the request of the Landlord, which shall in no event occur more than once in any calendar year, an officer of Tenant (in the case of a corporation) or such other person authorized to bind Tenant (in the case of another form of legal entity) shall certify in writing to Landlord that Tenant's operations, activities and occupancy of the Premises are in full compliance with all applicable federal (excepting only federal laws applicable to Medical Marihuana Uses), state and local laws, orders, regulations and ordinances. Any exceptions, deviations or non-compliance shall be identified in such certificate, together with a detailed description of Tenant's plan for remedying such non-compliance.

(b) Rules. Tenant shall comply and shall cause all of its agents, contractors, employees, visitors and any others using the Premises to comply with the "Site Requirements" attached hereto as **EXHIBIT E.** Notwithstanding the foregoing, however, Tenant's allowed Medical Marihuana Uses shall not be deemed to violate the provisions of Section 6.5 of the Site Requirements. Landlord hereby advises Tenant that the "Kodak Representative" (as defined in the Site Requirements) is **Robin Chontosh (585-477-4896),** subject to change by Landlord upon written notice to Tenant. In the event any future rule or other requirement is approved which either prohibits Tenant's Medical Marihuana Uses or substantially prevents Tenant's compliance with state law, rule, regulation, or otherwise, Tenant may terminate this Lease without penalty and recover the full amount of the Security Deposit (assuming that Tenant fully and completely complies with all provisions of this Lease through the date of such termination and fully surrenders the Premises to Landlord in accordance with the terms hereof).

(c) Signs. Tenant shall have the right, at its sole expense, to install signs in and on the building, however, Tenant shall not display, inscribe, print, paint, maintain or affix on any place on the exterior of the Building nor on the land on or adjacent to which the Building is located, any sign, notice, legend, direction, figure, or advertisement display materials after first obtaining the written approval of Landlord, which shall not unreasonably be withheld. Signs located inside the Building shall be permitted to identify the location of the Premises. In addition to the foregoing, Landlord shall provide, at Landlord's cost and expense, a listing of Tenant's business name on the Building directory, if any. All such signs must comply fully with all applicable laws, rules and regulations of any governmental authority.

(d) Alterations.

(i) Prohibitions and Limitations on Same. Tenant shall not make any alterations, improvements, or additions of or to the Premises (collectively, "Alteration") without Landlord's advance written consent in each and every instance, which consent shall not be unreasonably withheld; provided, however, Tenant shall not require Landlord's consent to make de minimus alterations, such as painting or installing carpeting, or to make any other alterations not affecting any Building system or the structure of the Building that, on an individual project basis, do not cost in excess of **TWENTY FIVE THOUSAND DOLLARS ($25,000.00).** Notwithstanding the foregoing, Tenant shall require Landlord's consent for any Alteration proposed by Tenant that calls for any modification to the foundation, structural or mechanical components (including the heating, ventilating, air conditioning, plumbing, electrical, fire protection, sprinkler and fire alarms systems including the fire walls and fire doors), and Landlord shall not unreasonably withhold its consent to such Alterations. Notwithstanding any other statement to the contrary in this Lease, with Landlord's prior written consent which will not be unreasonably withheld, conditioned or delayed, Tenant shall have the right to make any Alterations required to comply with the requirements of title 5-A of article 33 of the Public Health Law of the State of New York or any other statute, law, rule, regulation, ordinance, or guidance, provided that any such Alterations do not impact modify or change the structural elements of the Building (including the foundation) or any mechanical systems serving the Building. Any Alteration in or to the fire protection systems, fire alarms, sprinkler systems and/or fire walls and fire doors shall expressly require the prior written consent and approval of any insurance company of Landlord (and may be given or withheld for any reason or no reason) and must be in full compliance with all rules and regulations of such company. The parties

hereto agree that Landlord may reasonably withhold its consent to a proposed Alteration requiring Landlord consent if such Alteration is not consistent, in Landlord's reasonable judgment, with Landlord's internal aesthetic, engineering, insurance and construction standards and the standards of Landlord's property insurance company for the Building or other buildings owned by Landlord (if any) adjacent to the Building. In the event Tenant desires to make any Alteration that requires Landlord's consent hereunder, Tenant shall first submit to Landlord plans and specifications therefor for Landlord's review as part of Landlord's determination of whether to approve the Alteration pursuant to this subparagraph 11 (d)(i). In addition, any contractor(s) which Tenant intends to engage in the making of any Alteration shall be subject to Landlord's prior approval which shall not be unreasonably withheld. Any contractor, agent and/or subcontractor hired by Tenant must maintain insurance at the levels, of the types, with the companies and subject to conditions reasonably required by Landlord, which insurance requirements shall be delivered in writing by Landlord to Tenant at the time of delivery of Landlord's consent, if such consent is delivered. Tenant shall indemnify, defend and hold Landlord harmless from each and every claim for liability for injuries to persons or damage to or loss of property occurring at the Premises due to negligent acts or omissions by Tenant or Tenant's contractors, subcontractors or agents.

(ii) Additional Requirements. Each Alteration must comply fully with all laws and be performed in a good and workmanlike manner. Landlord must be advised of any requests for permits or governmental applications made or filed by Tenant prior to such filings. Upon Tenant's request, and at Tenant's sole cost and expense, Landlord shall cooperate in connection with the securing of any such permits or the filing of any such governmental applications. Each and every Alteration, whether temporary or permanent in character, made by Landlord or Tenant in or upon the Premises shall become Landlord's property (with the exception only of Tenant's movable office furniture, trade fixtures, office and professional, manufacturing and process equipment) and shall remain upon the Premises at the expiration or earlier termination of this Lease without compensation to Tenant unless Landlord notifies Tenant in writing, at the time of Landlord's consent to the Alteration, that such Alteration must be removed upon the expiration or termination of the Lease. Tenant shall remove such Alteration as herein required upon such expiration or earlier termination, repair any damage caused by such removal and restore the Premises to the condition specified in Section 35 of this Lease. Notwithstanding anything to the contrary herein provided, Landlord and Tenant intend and agree that during the Lease Term any Alteration shall be treated as the property of Tenant for accounting and income tax purposes such that Tenant shall be entitled to deductions, if any, for depreciation or amortization of such Alterations, excluding, however, any Alteration funded by Landlord which shall be owned by and treated as the property of Landlord.

(e) Security. Tenant (subject to compliance with Section 11(d)) shall have the right to install a separate security system to accommodate Tenant's use of the Premises in strict compliance with any federal (unless such federal law conflicts with Tenant's Medical Marihuana Uses), state or local statute, law, regulation, ordinance, rule, order or guidance. Landlord shall cooperate with Tenant in accomplishing such installation, provided however, that Landlord shall not be required to accommodate such improvements or systems if they would materially interfere with such Landlord's conducting business at the Building or the Premises and further provided that Tenant shall be responsible for the entire cost of the design, installation and operation thereof.

(f) Energy Conservation. Tenant shall comply with any applicable federal laws, rules, ordinances or administrative enactments on energy conservation, and shall cooperate with reasonable energy conservation programs voluntarily implemented by Landlord in the Building notice of which shall be provided to Tenant, to the extent that such programs do not materially and adversely affect Tenant's conduct of its business.

(g) Nuisance. Tenant shall not use, keep or permit the Premises to be occupied or used to cause an unreasonable nuisance or in a manner offensive or objectionable to Landlord and/or other occupants of the Building or adjacent facilities owned by Landlord by reason of noise, odors and/or vibrations, or interfere in any way with Landlord's business, nor shall any animals (except service animals) or birds be brought in or kept in or about the Premises.

In addition to any liability for breach of any covenant of this Section, Tenant shall pay to Landlord an amount equal to any increase in insurance premiums payable by Landlord, caused by such breach, default or carelessness on the part of Tenant.

12. REPAIRS

Tenant shall maintain the Premises in good condition (ordinary wear and tear and loss or damage due to a casualty not required to be restored by Tenant excepted) and shall, subject to the terms of Section 12 herein, repair any damage to the Premises occurring on or after the date hereof, other than any repairs which are the responsibility of Landlord hereunder, as expressly provided herein. Tenant shall be responsible for prompt maintenance and repair of all leasehold improvements within the Premises and Tenant's furniture and fixtures located within or about the Premises. In addition, Tenant shall be responsible for any maintenance and repair to the Premises required as a result of the negligent use or misuse of the Premises by Tenant or Tenant's employees, agents, contractors or invitees; provided that any such maintenance or repair required hereunder to be made by Tenant to the Premises shall be subject to the Landlord approval requirements applicable to alterations as provided in Section 11(d), and further provided that Landlord, as part of such approval, may elect to perform such maintenance or repair itself, at Tenant's cost (to be paid as Additional Rent within twenty (20) days after receipt of an invoice therefor.

13. DESTRUCTION OF PREMISES

If the Building shall be damaged by fire or other casualty and such damage prevents Tenant from using the Premises in substantially the same manner as it was used prior to such casualty or damage, and such damage is not repaired by Landlord within ninety (90) days after the date of such fire or casualty (or, in the case of damage the repair of which reasonably requires more than ninety (90) days, if Landlord has not commenced such repair or is not proceeding with reasonable diligence under the circumstances to complete such required repairs) or if such damage cannot reasonably be repaired or restored within one hundred eighty (180) days after the date of such fire or casualty, Tenant or Landlord shall have the right to terminate this Lease by written notice to the other delivered not more than one hundred and twenty (120) days following the occurrence of the damage. If Landlord elects not to seek to repair such damage, but does not simultaneously elect to terminate the Lease, Landlord shall notify Tenant of its election not to repair within thirty (30) days after the date of such fire or casualty, and Tenant's right to terminate this Lease shall begin upon receipt of such notice from Landlord. In the event of any such termination, with respect to any portion of the Premises which was not damaged, Tenant shall be required to comply with all of the other requirements of this Lease relating to the termination, cancellation or expiration of this Lease, including without limitation the requirements of Section 35 relating to surrender of the Premises. From the date of the casualty until the effective date of such termination, the Rent shall be abated by

multiplying the Rent then due by a fraction the numerator of which shall be the number of square feet of the Premises which is not usable and in fact is not used by Tenant and the denominator of which shall be the total number of square feet of the Premises. In the event, however, that such damage is due to the negligence or willful misconduct of the Tenant, Tenant's servants, employees, agents, visitors or licensees, there shall be no apportionment or abatement of Rent.

If the Building shall be damaged by fire or other casualty and neither Tenant nor Landlord elects to terminate this Lease, as provided above, Landlord, at its sole cost and expense, shall promptly repair or reconstruct the damage to the Building and Tenant, at its cost and expense, shall promptly repair or reconstruct any damage to Tenant's leasehold improvements, alterations or modifications to the Premises made after the Commencement Date. Until such time that the damage is substantially repaired, the Rent shall be abated by multiplying the Rent then due by a fraction the numerator of which shall be the number of square feet of the Premises which is not usable and in fact is not used by Tenant and the denominator of which shall be the total number of square feet of the Premises. In the event, however, that such damage is due to the gross negligence or willful misconduct of the Tenant, Tenant's servants, employees, agents, visitors or licensees, there shall be no apportionment or abatement of Rent.

14. CONDEMNATION

If the Premises or any part thereof shall be taken by any public or private authority through condemnation or eminent domain, Landlord shall immediately notify Tenant in writing. The entire amount of any condemnation award related to the value of the Premises shall be the property of and payable to Landlord. Nothing herein shall preclude Tenant from pursuing any claims it may have against the condemning authority based upon the value of its personal property taken or other costs incurred by Tenant (such as relocation costs) associated with such taking of the Premises.

If such taking reduces the square feet of the Premises by a material amount (whether by a single taking or a series of takings), Tenant or Landlord may terminate this Lease at any time by written notice to the other to be given within ninety (90) days after the effective date of the taking. As used herein, the term "material amount" means that the portion taken shall, in the reasonable opinion of either Landlord or Tenant, be so significant that the remaining portion of the Premises cannot be used in substantially the same manner by Tenant as was used prior to such taking. In the event of such termination by Tenant, with respect to any portion of the Premises which was not taken as part of the condemnation, Tenant shall be required to comply with all of the other requirements of this Lease relating to the termination, cancellation or expiration of this Lease, including without limitation the requirements of Section 35 relating to surrender of the Premises.

15. CERTAIN RIGHTS RESERVED TO LANDLORD

Landlord reserves the following rights:

(a) Pass Keys. To have pass keys to the Premises at all times.

(b) Exhibition. On reasonable prior notice to and at all times accompanied by Tenant, and at times which result in minimal business disruption to Tenant, to exhibit the Premises to prospective tenants and to any prospective purchaser, mortgagee, or assignee of any mortgage on the Premises and to others having a legitimate interest during the Lease Term.

(c) Access for Repairs. At any time and without notice in the event of an emergency, and otherwise upon reasonable prior notice and at reasonable times, to enter and/or to cause its representatives to enter onto the Premises to take any and all measures, including inspections, repairs, alterations, additions and improvements to the Premises, as may be necessary or desirable for the safety, protection or preservation of the Premises, the Building or the land on which the Building is located, or Landlord's interests, or as may be necessary or desirable in the operation or improvement of the Premises, the Building s or the land on which the Building is located, or in order to comply with all laws, orders and requirements of governmental or other authority. In the event Landlord exercises its rights to access pursuant to this Section 15(c), Tenant shall accompany Landlord or its representatives at all times, except in case of emergency. If Landlord requires access in the event of an emergency, Landlord acknowledges that Premises will be alarmed.

(d) Other Access. At any time and without notice (and without accompaniment) in the event of an emergency, and otherwise upon reasonable prior notice and at reasonable times while accompanied by Tenant at all times, to enter onto the Premises to inspect or repair any portions of the Premises which are used by Landlord in connection with the continuing operation of its business. If Landlord requires access in the event of an emergency, Landlord understands that Premises will be alarmed.

(e) Landlord Acknowledgement. Landlord acknowledges that its rights of reentry into the Premises set forth in this Lease do not confer on it the authority to manufacture and/or dispense on the Premises medical marihuana in accordance with Article 33 of the Public Health Law and agrees to provide the New York State Department of Health, Mayor Erastus Corning 2nd Tower, The Governor Nelson A. Rockefeller Empire State Plaza, Albany, N.Y. 12237, with notification by certified mail of its intent to reenter the Premises or to initiate dispossess proceedings or that the Lease is due to expire, at least thirty (30) days prior to the date on which Landlord intends to exercise a right of reentry or to initiate such proceedings or at least 60 days before expiration of the Lease.

16. LANDLORD'S REMEDIES

All rights and remedies of Landlord herein enumerated shall be cumulative, and none shall exclude any other right or remedy allowed by law. In addition to the other remedies in this Lease provided, Landlord shall be entitled to the restraint by injunction of any material violation or attempted material violation of any of the covenants, agreements or conditions of this Lease, subject to any applicable written notice and opportunity to cure and further provided that the nature of the material violation is one that could reasonably be expected to endanger the health or safety of the Building occupants or occupants of any adjoining buildings.

(a) Bankruptcy; Re-organization. If Tenant shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of Tenant or of all or a substantial part of its assets, (ii) admit in writing its inability to pay its debts as they come due, (iii) make a general assignment for the benefit of creditors, (iv) file a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law other than the federal Bankruptcy Code, or (v) file an answer admitting the material allegations of a petition filed against Tenant in any reorganization or insolvency proceeding, other than a proceeding commenced pursuant to the federal Bankruptcy Code, or if any order, judgment or decree shall be entered by any court of competent jurisdiction, except for a bankruptcy court or a federal court sitting as a bankruptcy court,

adjudicating Tenant insolvent or approving a petition seeking reorganization of Tenant or appointing a receiver, trustee or liquidator of Tenant or of all or a substantial part of its assets, and Tenant is unable to restore its financial position, stay any bankruptcy proceeding or cure any of the aforementioned events of default within sixty (60) days after such occurrence, then, in any such event and upon the passage of sixty (60) days thereafter, Landlord may give to Tenant a written notice of intention to end the Lease Term specifying a day not earlier than ten (10) days thereafter, and upon the giving of such notice the Lease Term and all right, title and interest of Tenant hereunder shall expire as fully and completely on the day so specified as if that day were the date herein specifically fixed for the expiration of the Lease Term.

(b) Default in Tenant Obligations. If Tenant defaults in the payment of Rent and such default continues for five (5) days after written notice, or, except as otherwise provided in this Section 16 hereof, defaults in the prompt and full performance of any other provision of this Lease and such default continues for thirty (30) days after written notice, or if such default cannot be cured within thirty (30) days, Tenant does not commence to cure such default within thirty (30) days and diligently pursue the same to completion thereafter, or if the leasehold interest of Tenant be levied upon under execution or be attached by process of law and such levy or attachment is not removed or bonded within thirty (30) days thereafter, or if Tenant ceases to pay Rent hereunder for a period in excess of thirty (30) days, then and in any such event Landlord may, at its election, either terminate the Lease and Tenant's right to possession of the Premises, or without terminating this Lease, endeavor to relet the Premises. Nothing herein shall be construed so as to relieve Tenant of any obligation, including the payment of Rent, as provided in this Lease, provided that if Landlord relets all or any portion of the Premises, all rent and additional rent collected by Landlord pursuant to such reletting shall be applied against any ongoing obligation of Tenant hereunder for the payment of Rent.

(c) Surrender of Possession; Landlord's Right to Re-Enter. Upon any valid termination of this Lease, Tenant shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Landlord, all in the manner that the Premises is to be surrendered as provided in Section 35 hereof, and hereby grants to Landlord full and free license to enter into and upon the Premises to repossess Tenant of the Premises as of Landlord's former estate and to expel or remove Tenant and any others who may be occupying or within the Premises and to remove any and all property therefrom, using such force as may be reasonably necessary, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing Landlord's right to Rent or any other right given to Landlord hereunder or by operation of law, except as otherwise expressly provided herein. Any costs incurred by Landlord in connection with Landlord's re-entry into the Premises, Landlord's removal of Tenant's property therefrom, and Landlord's performance of any obligations of Tenant under Section 35 hereof in connection with such re-entry, shall be payable by Tenant to Landlord as Additional Rent hereunder.

(d) Damages and Acceleration. If Landlord elects to terminate this Lease for any of the reasons specified in this Section 16 of the Lease, it being understood that Landlord may elect to terminate the Lease after and notwithstanding its election to terminate Tenant's right to possession as in Section 16(b) Landlord shall forthwith upon such termination be entitled to recover as damages and not as a penalty, an amount equal to the then present value of the Rent provided in this Lease for the residue of the stated Lease Term, less the present value of the fair rental value of the Premises for the residue of the stated Lease Term. The discount rate used to calculate present value shall be five percent (5%).

(e) Landlord's Right to Perform Tenant's Obligations. Tenant agrees that if it shall at any time fail to make any material payment to a third party other than Landlord or its designee or fail materially to perform any other act on its part to be made or performed under this Lease beyond any applicable notice and cure period, Landlord may, but shall not be obligated to, and after reasonable written notice or demand and without waiving, or releasing Tenant from, any obligation under this Lease, make such payment or perform such other act to the extent Landlord may deem desirable, and in connection therewith, Landlord may pay expenses and employ counsel. If legal action is required to enforce performance by Tenant of any condition, obligation or requirement hereunder, the costs of such action including reasonable attorneys' fees will be paid solely by the party not prevailing in such action. All sums so paid by Landlord and all expenses incurred by Landlord in connection therewith (provided that Landlord is the prevailing party in any such legal action), together with interest thereon at the maximum rate permitted by law from the date of payment, shall be deemed Additional Rent hereunder and payable at the time of any installment of Rent thereafter becoming due and Landlord shall have the same rights and remedies for the non-payment thereof, or of any other Additional Rent, as in the case of default in the payment of Rent.

(f) Tenant's Personal Property. Any and all property to which Tenant is or may be entitled which may be removed from the Premises by Landlord pursuant to the authority of the Lease or of applicable law upon termination of the Lease or upon default by Tenant after any applicable notice and cure period, may be handled, removed or stored by Landlord at the risk, cost and expense of Tenant, and Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. Tenant shall pay to Landlord, upon demand, any and all expenses incurred in such removal and all storage charges against such property. Any such property of Tenant not removed from the Premises or retaken from storage by Tenant within thirty (30) days after the end of the Lease Term or of Tenant's right to possession of the Premises, however terminated, shall be conclusively deemed to have been forever abandoned by Tenant and either may be retained by Landlord as its property or may be disposed of in such manner as Landlord may see fit.

17. LATE CHARGE

In the event Tenant fails on two separate occasions in any one calendar year during the Term to pay any installment of Base Rent or Additional Rent on the day when due and payable, then during the balance of the Term and with respect to any subsequent installment of Rent not received by Landlord by the fifth (5th) business day after the due date, a late charge will be due and owing in an amount equal to five percent (5%) of the then unpaid monthly Base Rent or Additional Rent. Such late charge shall be billed by Landlord to Tenant with the Rent for the calendar month next following and shall be paid by Tenant together with the Rent due for such month.

18. SUBORDINATION OF LEASE

The rights of Tenant under this Lease shall be and are subject and subordinate at all times to all ground leases, and/or underlying leases, if any, now or hereafter in force against the Premises, and to the lien of any mortgage or mortgages now or hereafter in force against such leases and/or the Premises, and to all advances made or hereafter to be made upon the security thereof, and to all renewals, modifications, consolidations and replacements thereof. This Section 18 is self-operative and no further instrument of subordination is required. In confirmation of such subordination, however, Tenant shall promptly execute such further instruments as may be reasonably requested by Landlord, provided that no such document increases, in any material respect, Tenant's monetary

obligations or liability under the Lease or decreases, in any material respect, Tenant's rights under the Lease. Tenant, at the option of any mortgagee, agrees to attorn to such mortgagee in the event of a foreclosure sale or deed in lieu thereof. In the event that there are any future mortgages which will encumber the Premises, Landlord shall use its commercially reasonable efforts to provide Tenant with a non-disturbance agreement in a form reasonably acceptable to Tenant but any costs associated with same shall be paid by Tenant.

19. ENVIRONMENTAL RESPONSIBILITIES

(a) Indemnification. To the extent that any violation of applicable Environmental Law (as hereinafter defined) or the environmental condition requiring remediation under such law arose out of Tenant's use of or operation at the Premises occurring after the Commencement Date, Tenant shall indemnify, defend and hold Landlord, its affiliates, and, if applicable, their respective directors, officers, shareholders, partners, attorneys, accountants, agents and employees and their heirs, successors and assigns harmless from and against any claims, losses, liabilities, charges, actions, suits, proceedings, deficiencies, taxes, interest, penalties and reasonable costs and expenses (including, without limitation, reasonable attorneys' fees, removal costs, remediation costs, closure costs, fines, penalties and expenses of investigations and ongoing remediation) arising from (i) any violation or alleged violation of applicable Environmental Law, including, without limitation, any operations, actions or omissions by Tenant which would cause the Building or the site in which the Building or the Premises is located as a whole (or any part thereof) to be out of compliance with any such Environmental Law, or (ii) any requirement to remediate under applicable Environmental Law (arising during the Lease Term or thereafter) any environmental condition to the extent arising out of Tenant's use of or operations at the Premises imposed or required by either a governmental authority having appropriate jurisdiction thereof, including without limitation those requirements imposed under CERCLA or by a third party.

(b) Reporting Requirements. Tenant agrees to promptly report to Landlord (and, as required by law, to any regulatory agency) any release at the Premises by Tenant at the time Tenant first becomes aware thereof of any hazardous substance as defined in or required to be reported under any federal, state and local laws, including, but not limited to, CERCLA and any other release which is required to be reported under Landlord's written protocol for the reporting of such releases at the Building or the site within which the Premises is located, as such written protocol is modified from time to time and which protocol has been delivered to Tenant. In addition, Tenant shall provide Landlord, with copies of any and all material correspondence between Tenant and any environmental regulatory agencies of any federal, state or local governmental authorities relating to a violation or alleged violation of applicable Environmental Law. Tenant shall not perform any environmental testing or remediation at or of the Premises without obtaining Landlord's prior written consent, which Landlord may withhold in its sole discretion; provided, however, that nothing herein shall prevent Tenant from complying with applicable law or requirements of any governmental agency. Any testing required of Tenant under the proviso in the immediately preceding sentence shall, at Landlord's option, be subject to Landlord's control. Tenant shall provide Landlord with a complete copy of the results of any such tests and any reports analyzing such results. Notwithstanding any other provision in this Lease, Tenant shall have the right to possess reasonable amounts of a substance which may otherwise be defined as hazardous in the event such substance is used for rodent or pest control, provided that all such possession, use, storage and disposal of same must be in full compliance with all applicable Laws.

(c) Environmental Permits. Tenant, at Tenant's sole cost and expense, shall be responsible to obtain and maintain in place all permits and notifications required by applicable Environmental Law with respect to waste, air emissions or other materials discharged as a result of any of Tenant's manufacturing or other processes conducted at the Premises. Tenant shall provide to Landlord, within ten days of a request by Landlord, all information reasonably requested by Landlord with respect to such permits. Tenant shall also notify Landlord within ten days of any changes made to any such permits currently in force or obtained by Tenant in the future.

(d) Survival. The provisions of this Section 19 shall survive the expiration or earlier termination of this Lease.

(e) Environmental Law Defined. "Environmental Law" means any Law concerning the protection of human health as it relates to Hazardous Substances exposure, the environment, worker safety as it relates to Hazardous Substance exposure, or the use, storage, recycling, treatment, generation, transportation, arrangement for transportation, processing, handling, labeling, management, release or disposal of any Hazardous Substance.

(f) Hazardous Substance Defined. "Hazardous Substance" means any substance that is listed, defined, designated or classified as hazardous, toxic or otherwise harmful or as a pollutant or contaminant under applicable Environmental Laws including petroleum products and byproducts, asbestos-containing material, polychlorinated biphenyls and radon.

(g) Law Defined. "Law" means any law, statute, ordinance, rule, regulation, code, order, judgment, injunction or decree enacted, issued, promulgated, enforced or entered by a government entity or self-regulatory organization. Notwithstanding any other statement to the contrary herein, for the purposes of this Lease only, Tenant shall not be required to comply with any federal law which prohibits Tenant's Medical Marihuana Uses indicated herein. However, nothing contained herein shall be construed as Landlord agreeing to breach any federal laws and nothing contained herein shall cause Landlord to bear any liability or responsibility for any breach of any federal laws by Tenant.

20. INTENTIONALLY DELETED

21. LANDLORD'S ACCESS AND ASSESSMENT RIGHTS

(a) Landlord's Right of Access for Health, Safety and Environmental Compliance. Landlord shall have the right to enter on the Premises and any part thereof, after reasonable prior notice and at reasonable times and at all times (except in emergencies) accompanied by Tenant or its agents, employees, directors, officers, or servants, to engage in any activities reasonably required by Landlord to ensure the compliance of the Premises with applicable health, safety and/or environmental laws, regulations, licenses and permits and any State or Federal order or agreement entered into by Landlord relating to the Premises, including the performance of any such activities required to be performed by Tenant hereunder or under applicable laws or regulations. Landlord shall use all reasonable efforts to minimize any disruption to Tenant's business. In the event of a release or other health, safety or environmental emergency at the Premises, Landlord shall have the right to enter the Premises for purposes of responding to such release or emergency without giving Tenant notice in advance. If Landlord is required by law, regulation, ordinance or any order of any governmental authority to grant to any federal, state or local government, or agency thereof, access to the Premises, then such government or governmental agency shall have such right of access,

accompanied at all times (except in emergencies) by Tenant or its agents, employees, directors, officers, or servants, notwithstanding anything to the contrary in the Lease, and the exercise of such access right shall not constitute a breach of this Lease or an eviction from the Premises.

(b) Landlord's Rights to Perform Health, Safety and Environmental Assessments of the Premises. Landlord, acting through its employees, agents or contractors, shall have the right to enter upon the Premises for the purpose of conducting a health, safety and environmental assessment of all or any part thereof, provided Landlord gives reasonable prior notice to Tenant and is accompanied at all times (except in emergencies) by Tenant or its agents, employees, directors, officers, or servants. To the extent Landlord in its sole discretion does not claim an enforceable attorney-client privilege for any reports of such assessment, copies of any reports prepared by Landlord summarizing the results of such assessment shall be made available to Tenant. Tenant shall notify Landlord reasonably in advance of any scheduled or unscheduled visit to or inspection of the Premises or any other portion thereof by representatives of any federal, state or local regulatory agency, and Tenant and Landlord shall supply to each other copies of any correspondence which either may have with any such regulators relating to noncompliance or subsurface contamination issues at the Premises. Landlord shall have no liability to Tenant, its employees, agents or any other party, associated with Landlord's performance of any assessment conducted by or on behalf of Landlord as contemplated herein, except for any negligence or willful misconduct of Landlord or Landlord's agents or contractors and neither shall Landlord have any responsibility to actually conduct an assessment at any time during the Lease Term, and Landlord shall have no liability to Tenant, its employees, agents or any other party for the failure of Landlord to conduct any such assessment.

(c) Inspection of Premises. Landlord and its authorized representatives, at all times accompanied by Tenant, shall have the right, at any time (but without notice and unaccompanied by Tenant in the event of an emergency) upon reasonable prior notice and at reasonable times, to enter and/or to cause its representatives to enter onto the Premises or any part thereof, to engage in any activities deemed reasonably necessary by Landlord including, but not limited to, inspections, measurements, repairs, alterations, additions and improvements to the Premises, as may be necessary or desirable for the safety, protection or preservation of the Premises or Landlord's interests, or as may be necessary or desirable in the operation or improvement of the Premises or in order to comply with all laws, orders and requirements of governmental or other authority. Landlord shall attempt to minimize any disruption to Tenant's business. The exercise of the access rights granted to Landlord and its representatives hereunder shall not constitute a breach of this Lease or an eviction from the Premises.

22. NOTICES AND CONSENTS

All notices, demands, requests, consents or approvals (collectively, "Notice") which may or are required to be given by either party to the other shall be in writing and shall be deemed given if by personal delivery upon the party for whom it is intended on the day so delivered, if delivered by registered or certified mail, return receipt requested, on the third business day

following such mailing, if delivered by a national courier service on the next business day following such mailing, any such Notice mailed or delivered to the following:

if to Tenant:

Columbia Care NY, LLC
24 West 25th Street, 6th Floor
New York, NY 10010
Attention: Michael Abbott

if to Landlord:

Eastman Kodak Company
343 State Street
Rochester, New York 14650-0207
Attention: Real Estate Lease Management Office

with a copy to:

Eastman Kodak Company
343 State Street
Rochester, New York 14650-0205
Attention: General Counsel

The parties may by written notice to the other designate a different person or entity to receive notices hereunder and/or a different address or addresses. If the term Tenant as used in this Lease refers to more than one person any Notice given as aforesaid to any one of such persons shall be deemed to have been duly given to Tenant.

23. LOCKS AND KEYS

Upon notice to and consent from Landlord (which consent shall not be unreasonably withheld, conditioned or delayed), Tenant shall be permitted to attach or install any lock or similar device to any exterior door or window at the Premises or in the Building, in order to remain in compliance with any statutes, laws, rules, or regulations applicable to Tenant's Permitted Use referenced in Section 3 herein. No additional locks or similar devices shall be attached to any exterior door or window at the Premises or in the Building without Landlord's prior written consent and no keys for any exterior door other than those provided by Landlord shall be made. If Landlord consents to the installation of additional locks or similar devices, Tenant shall provide Landlord with copies of keys, electronic access or other access through such devices to be used only in the event Landlord requires access in an emergency. If more than two keys for one lock are desired, Landlord will provide same upon payment by Tenant. All keys must be returned to Landlord at the expiration or termination of this Lease.

24. INVALIDITY OF PARTICULAR PROVISIONS

If any clause or provision of this Lease is or becomes illegal, invalid, or unenforceable because of present or future federal (excepting only federal laws applicable to Medical Marihuana Uses), state or local law or any rule or regulation of any federal (excepting only federal laws applicable to Medical Marihuana Uses),state or local governmental body or entity, effective during the Lease Term, the intention of the parties hereto is that the remaining parts of this Lease shall not be affected thereby unless such invalidity is essential to the rights of either party in which event a suitable and equitable provision shall be substituted therefore in order to carry out, so far as may be

valid and enforceable, the intent and purpose of such invalid or unenforceable provision and the remainder of this Lease and the application of such provision shall not be affected by such invalidity or unenforceability.

25. CONFIDENTIALITY

In the course of performance under this Lease, either party or its employees may receive information from the other party which is identified by the disclosing party as confidential, is prominently marked as confidential or which the receiving party otherwise knows or has reason to know is confidential information of the disclosing party. The receiving party shall take all reasonable steps to safeguard such confidential information and shall not disclose it to others except with the written consent of the disclosing party or to the extent that such disclosure is required by law, in which case the receiving party shall first notify the disclosing party of the legal requirement so that the disclosing party may seek to take action to challenge the application of such legal requirement.

26. MISCELLANEOUS TAXES

Tenant shall pay prior to delinquency all taxes assessed against or levied upon its occupancy of the Premises, or upon the fixtures, furnishings, equipment and all other personal property of Tenant located in the Premises other than those furnished and paid for by Landlord, if nonpayment thereof shall give rise to a lien on the real estate, and when possible Tenant shall cause said fixtures, furnishings, equipment and other personal property to be assessed and billed separately from the property of Landlord. In the event any or all of Tenant's fixtures, furnishings, equipment and other personal property, or upon Tenant's occupancy of the Premises, shall be assessed and taxed with the property of Landlord, Tenant shall pay to Landlord its share of such taxes within twenty (20) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's occupancy or fixtures, furnishings, equipment or personal property. Landlord shall pay any and all real estate taxes assessed and levied against the Premises, in each case prior to the respective delinquency dated thereof. If such taxes may be paid in installments, Landlord shall have the right to do so.

27. BROKERAGE

Except for CB Richard Ellis/Rochester NY, LLC (the "Broker") Tenant and Landlord represent and warrant that they have dealt with no other broker, agent or other real estate sales person in connection with this Lease and that no other broker, agent or such other person brought about this transaction. Tenant and Landlord agree to indemnify and hold each other harmless from and against any claims by any other broker, agent or other real estate sales person claiming a commission or other form of compensation by virtue of this Lease or of having dealt with Tenant or Landlord with regard to this leasing transaction and should a claim for such commission or other compensation be made it shall be promptly paid or bonded by the party who has dealt with the person or entity making such claim. The provisions of this Section 27 shall survive the termination of this Lease. Landlord shall pay the Broker pursuant to the terms of a separate agreement.

28. FORCE MAJEURE

Except as to the payment of Rent or other monies due under this Lease, neither party shall be responsible for delays or inability to perform its obligations hereunder for causes beyond the reasonable control of such party including acts of other tenants, governmental restriction, regulation or control, labor dispute, accident, mechanical breakdown, shortages or inability to obtain labor, fuel, steam, water, electricity or materials, acts of God, enemy action, civil commotion, or fire or other casualty which are beyond the reasonable control of such party.

29. PARKING.

Landlord will provide three (3) parking spaces along the east side of the Building, within the EBP Secure Area, and two (2) spaces in the building 26 north side parking lot, within the EBP Secure Area. Landlord will also provide Drive-in Passes for these five (5) parking spaces. Additionally, an initial quota of one hundred (100) parking spaces will be made available to Tenant for its use and the use by its employees, invitees and guests in Parking Lot 46, located on the east side of Lake Avenue, outside the EBP Secure Area. The parking areas described herein are shown on Exhibit B attached hereto and made a part hereof. Any use of the parking areas shall be in strict compliance with all reasonable rules and regulations of Landlord, provided that such rules are consistently applied to Tenant and other occupants of the Building, shall be at the cost per parking space (if any) established from time-to-time by Landlord and consistently applied to Tenant and other occupants of the Building, and shall be expressly at the sole risk of Tenant and its employees, invitees, and guests.

30. INDEMNIFICATION

Subject to the provisions of Section 19, which shall control to the extent applicable:

(a) By Tenant. Except to the extent caused by the negligence or misconduct of Landlord or to the extent of the claims otherwise waived by Landlord in Section 8 hereof, Tenant covenants and agrees, at its sole cost and expense, to indemnify, protect, defend and save harmless Landlord from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, actions, proceedings, costs, disbursements and/or expenses (including, without limitation, reasonable attorneys' and experts' fees, expenses and disbursements) of any kind or nature whatsoever which may at any time be imposed upon, incurred by or asserted or awarded against Landlord, its affiliates and, if applicable, their respective directors, officers, shareholders, partners, attorneys, accountants, agents and employees and their heirs, successors and assigns relating to, resulting from or arising out of (i) any act or omission by Tenant or its employees, contractors, subcontractors, agents or guests, (ii) any breach or default by Tenant in performance or observance of its representations, warranties, covenants or obligations under this Lease, and (iii) Tenant's possession, operation, maintenance, repair of the Premises or the failure of Tenant to operate, maintain or repair the Premises, in each case to the extent required hereunder.

(b) By Landlord. Except to the extent caused by the negligence or misconduct of Tenant and except to the extent of the claims otherwise waived by Tenant in Section 8 hereof, and except as otherwise set forth in Section 5 hereof, Landlord covenants and agrees, at its sole cost and expense, to indemnify, protect, defend and save harmless Tenant from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, actions, proceedings, costs, disbursements and/or expenses (including, without limitation,

reasonable attorneys' and experts' fees, expenses and disbursements) of any kind or nature whatsoever which may at any time be imposed upon, incurred by or asserted or awarded against Tenant, its affiliates and, if applicable, their respective directors, officers, shareholders, partners, attorneys, accountants, agents and employees and their heirs, successors and assigns relating to, resulting from or arising out of (i) any breach or default by Landlord in performance or observance of its representations, warranties, covenants or obligations under this Lease, (ii) any act or omission by Landlord or its employees, contractors, subcontractors, agents or guests, or (iii) Landlord's maintenance and repair of the Premises or the failure of Landlord to maintain or repair the Premises, in each case to the extent required hereunder.

(c) Indemnification Limitations. The foregoing indemnification of Landlord set forth above shall be expressly inapplicable to and have no force and effect with respect to the Security Services to be provided by Landlord to the Building pursuant to the terms herein and shall be further expressly inapplicable to and have no force and effect with respect to the Emergency Services and/or Fire Protection Services to be provided by Landlord to the Building pursuant to the terms herein. With respect to Emergency Services, Fire Protection Services and Security Services, Landlord agrees to make reasonable efforts to provide all such necessary Emergency Services, Fire Protection Services and/or Security Services at or to the Building. However, Tenant hereby expressly agrees to hold Landlord harmless from and against any failure to provide, successfully deliver or otherwise deliver any and all such Emergency Services, Fire Protection Services and Security Services at or to the Building. It is understood, agreed and expressly bargained for between the parties to this Lease, that the failure of Landlord to provide and/or successfully deliver any or all such Emergency Services, Fire Protection Services and/or Security Services shall result in no liability to or responsibility of Landlord, its affiliates and, if applicable, their respective directors, officers, shareholders, partners, attorneys, accountants, agents and employees and their heirs, successors and assigns for any claims, losses, damages, costs, expenses, fees (including, but not limited to expert and attorneys' fees), charges, injuries or damage to persons or property howsoever and wheresoever caused.

(d) Consequential Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER UNDER THE TERMS OF OR AS A RESULT OF THE VIOLATION OF THIS LEASE, INCLUDING WITHOUT LIMITATION A VIOLATION BY LANDLORD OF ITS DUTIES WITH RESPECT TO THE PERFORMANCE OF SERVICES PURSUANT TO SECTION 5 HEREOF, FOR ANY INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING LOSS OF GOODWILL OR LOSS OF PROFITS.

31. SPECIAL STIPULATIONS

(a) No Extension. No receipt of money by Landlord from Tenant after the termination of this Lease or after the service of any notice or after the commencement of any suit or after final judgment for possession of the Premises shall reinstate, continue or extend the Lease Term or affect any such notice, demand or suit or imply consent for any action for which Landlord's consent is required.

(b) No Waiver. No waiver of any default of Tenant or of Landlord hereunder shall be implied from any omission by Landlord or Tenant, as the case may be, to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated.

(c) Landlord. The term "Landlord" as used in this Lease, so far as covenants or agreements on the part of the Landlord are concerned, shall be limited to mean and include only the owner or owners of Landlord's interest in this Lease at the time in question, and in the event of any transfer or transfers of such interest, Landlord herein named (and in case of any subsequent transfer, the then transferor) shall be automatically freed and relieved from and after the date of such transfer from any or all damages, claims or liabilities arising from actions or events occurring after the date of such transfer. Notwithstanding anything to the contrary provided or implied elsewhere in this Lease, Tenant agrees that there shall be no personal liability on the part of Landlord arising out of any default by Landlord under this Lease, and that Tenant (and any person claiming by, through or under Tenant) shall look solely to the equity interest of Landlord in and to the Building for the enforcement and satisfaction of any defaults by Landlord hereunder, and that Tenant shall not enforce any judgment or other judicial decree requiring the payment of money by Landlord against any other property or assets of Landlord, and at no time shall any other property or assets of Landlord, or of Landlord's principals, partners, members, shareholders, directors or officers, be subject to levy, execution, attachment or other enforcement procedure for the satisfaction of Tenant's (or such person's) remedies under or with respect to this Lease, the relationship of Landlord and Tenant hereunder or Tenant's use or occupancy of the Premises; such exculpation of personal liability to be absolute and without any exception.

(d) Waiver of Trial by Jury. It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other or any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and any emergency statutory or other statutory remedy.

(e) Waiver of Right of Redemption. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being dispossessed or removed from the Premises because of default by Tenant pursuant to the covenants or agreements contained in this Lease.

(f) Review of Lease. The parties acknowledge that each party and its respective counsel have reviewed this Lease and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Lease or any amendment or exhibits hereto.

32. QUIET ENJOYMENT

Except as otherwise provided herein, so long as Tenant shall observe and perform the covenants and agreements binding on it hereunder and shall not be in default beyond any applicable grace period, Tenant shall at all times during the Lease Term peacefully and quietly have and enjoy possession of the Premises without any encumbrance or hindrance by, from or through Landlord.

33. ESTOPPEL CERTIFICATE

Landlord and Tenant agree that from time to time upon not less than fifteen (15) days prior request of the other, to deliver to the party making the request a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and identifying the modification), (b) the dates to which the Rent and other charges have been paid, and (c) that, so far as the person making the certificate knows, the other party is not in default under any provision of this Lease, or if such were not to be the fact, then certifying such default of which the person making the certificate may have knowledge, it being understood that any such certificate so delivered may be relied upon by any landlord under any ground or underlying lease, or any prospective purchaser, lender, mortgagee, or any assignee of any mortgage on the Premises or any party purchasing the assets of Landlord or Tenant, as the case may be, or acquiring the same by merger, succession or otherwise. Notwithstanding the foregoing, Tenant shall have no right to assign this Lease or permit the use or occupancy of the Premises except in strict accordance with the provisions of this Lease.

34. SURVIVAL OF THE PARTIES' OBLIGATIONS

Except with respect to the duties, responsibilities, obligations and indemnities described in Section 19 of this Lease, all obligations, indemnities, covenants, agreements and warranties (the "Responsibilities") of Tenant and Landlord hereunder to the extent that they require action prior to the termination or earlier cancellation of this Lease shall survive the expiration or earlier termination of this Lease, such that to the extent that Tenant or Landlord shall have failed to perform or comply with any of such Responsibilities prior to such expiration or earlier cancellation, such party's obligation to complete and perform such Responsibility arising prior to such expiration or cancellation date shall in no way be eliminated or affected by the occurrence of such expiration or cancellation. Section 19 of this Lease shall not be terminated or cancelled, and shall not expire with the remainder of this Lease, but the parties intend that the duties, responsibilities, obligations and indemnities contained in Section 19 shall continue to apply after such termination, cancellation or expiration until all of such duties, responsibilities, obligations and indemnities have been fulfilled.

35. SURRENDER OF THE PREMISES

Upon the Expiration Date, Tenant shall surrender possession of the Premises to Landlord, broom clean and in the same condition and repair as existed on the Commencement Date, reasonable wear and tear and damage from fire or other casualty excepted. In addition, Tenant shall remove (i) all utility drops, wireways, piping and other similar infrastructure to the nearest main junction box or shut-off valve, to the extent that any of the foregoing is required to operate Tenant's equipment at the Premises or otherwise, in connection with the operation of Tenant's Business at the Premises,, (ii) all tenant improvements to the Premises made by Tenant after the Commencement Date if so requested by Landlord at the time of Landlord's consent to such improvement, (iii) all of Tenant's equipment and machinery, and (iv) any other personal property owned by Tenant, from the Premises no later than the Expiration Date. In addition, upon such termination, cancellation or expiration of this Lease, Tenant shall be responsible for the costs of all decertification, closure and post-closure activities which may be required by law or applicable regulatory authority arising from Tenant's use of the Premises for the conduct of Tenant's business or Tenant's surrender of the Premises. If Tenant shall fail to comply with the requirements of this Section 35 regarding the

removal from the Premises on the Expiration Date of those items referenced in clauses (i) through (iii) herein, Tenant shall be deemed to have failed to vacate the Premises and as a result shall be subject to the provisions of Section 9 hereof regarding "Holding Over

36. AUTHORITY

Tenant and Landlord each warrant and represent that their respective representatives executing this Lease have full power and authority to execute this Lease on behalf of Tenant and Landlord, respectively, and that this Lease, once executed by the signatory of Tenant or Landlord, as the case may be, shall constitute a legal and binding obligation of that party and is fully enforceable in accordance with its terms.

37. MECHANIC'S LIENS

Tenant shall indemnify and save harmless Landlord against all loss, liability, costs, reasonable attorneys' fees, damages or interest charges as a result of any mechanic's lien or any other lien filed against the Premises as a result of any act or omission or as a result of any repairs, improvements, alterations or additions made by Tenant or its agents or employees. Tenant shall, within thirty (30) days of the filing of any such lien and notice given to Tenant, remove, pay or cancel such lien or secure the payment of any such lien or liens by bond or other acceptable security. Landlord, at its option, may, but shall not be required to, upon expiration of the thirty (30) day period, pay the lien or bond at its discretion without inquiring into the validity thereof, and Tenant shall forthwith reimburse Landlord for the total expense incurred by Landlord in discharging or bonding the lien as additional rent hereunder, together with interest at the maximum rate permitted by law.

38. MISCELLANEOUS

(a) Captions. The captions of this Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

(b) Exhibits. **EXHIBIT A, EXHIBIT B, EXHIBIT C, EXHIBIT D, EXHIBIT E, and EXHIBIT F** are attached hereto and are part of this Lease.

(c) Binding Effect. The covenants and agreements herein contained shall bind and inure to the benefit of Landlord, its heirs, legal representatives, transferees, successors and assigns, and Tenant, its heirs, legal representatives, permitted transferees, successors and assigns. Notwithstanding the foregoing, Tenant shall have no right to assign this Lease or permit the use or occupancy of the Premises except in strict accordance with the provisions of this Lease.

(d) Capitalized Terms. All capitalized terms not defined in this Lease shall have the meaning assigned to them herein.

(e) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement.

(f) Landlord's Occupancy of Building. It is understood that Landlord may occupy portions of the Building in the conduct of Landlord's business. In such event, all references herein to other tenants of the Building shall be deemed to include Landlord as an occupant.

39. SECURITY DEPOSIT.

On or before the Commencement Date, Tenant will deposit with Landlord a sum in an amount of **THIRTY ONE THOUSAND SIX HUNDRED FOUR DOLLARS AND 8 CENTS ($31,604.08),** as security for the full and faithful performance of every provision of this Lease to be performed by Tenant. If Tenant defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of Rent, Landlord may use, apply or retain all or any part of this security deposit for the payment of any Rent or any other sum in default or for the payment of any other amount which, Landlord may spend or become obligated to spend by reason of Tenant's default. If any portion of said deposit is to be used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount and Tenant's failure to do so shall be a breach of this Lease. Landlord shall not, unless otherwise required by law, be required to keep this security deposit separate from its general funds. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last transferee of Tenant's interest hereunder) at the expiration of the Lease term (or earlier termination pursuant to Section 2 herein) and upon Tenant's vacation of the Premises. In the event the Building is sold, the security deposit will be transferred to the new owner.

40. GUARANTY.

Columbia Care, LLC will agree to guaranty both payment and performance of all terms covenants and conditions imposed upon Tenant pursuant to the terms of this Lease in accordance with the Commercial Lease Guaranty attached hereto as **EXHIBIT F** and made a part hereof.

[remainder of Page is Intentionally Blank]

IN WITNESS WHEREOF, Landlord and Tenant have respectively signed this Lease as of the day and year first above written.

EASTMAN KODAK COMPANY, LANDLORD

By: _____

Name: _____

Title _____

COLUMBIA CARE NY, LLC, TENANT

By: _____

Name: _____

Title _____

EXHIBIT A

Floor Plans Showing Location of Premises

Exhibit “A”

Eastman Business Park

Building 12, Floor 4

(58,346 SF)

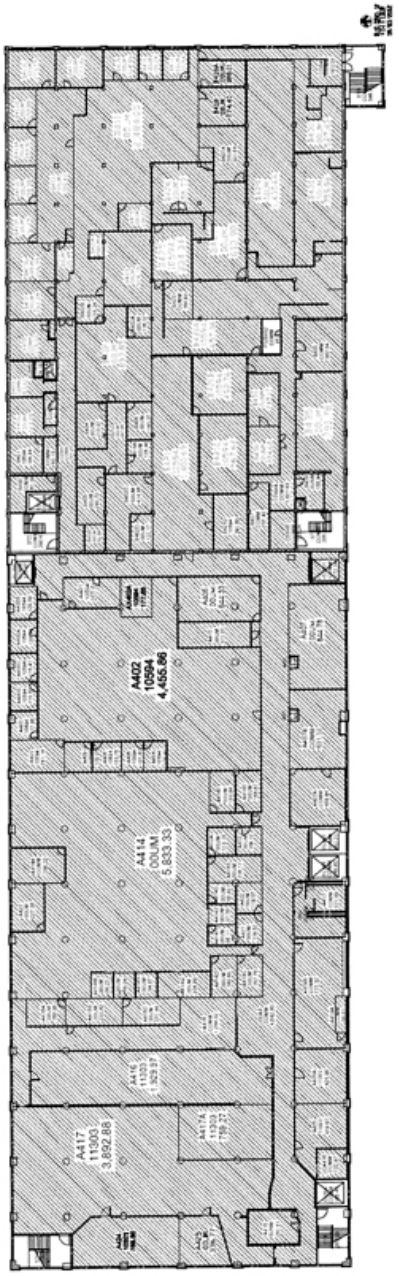

EXHIBIT B

Map Showing Location of Building
(including designated parking areas)

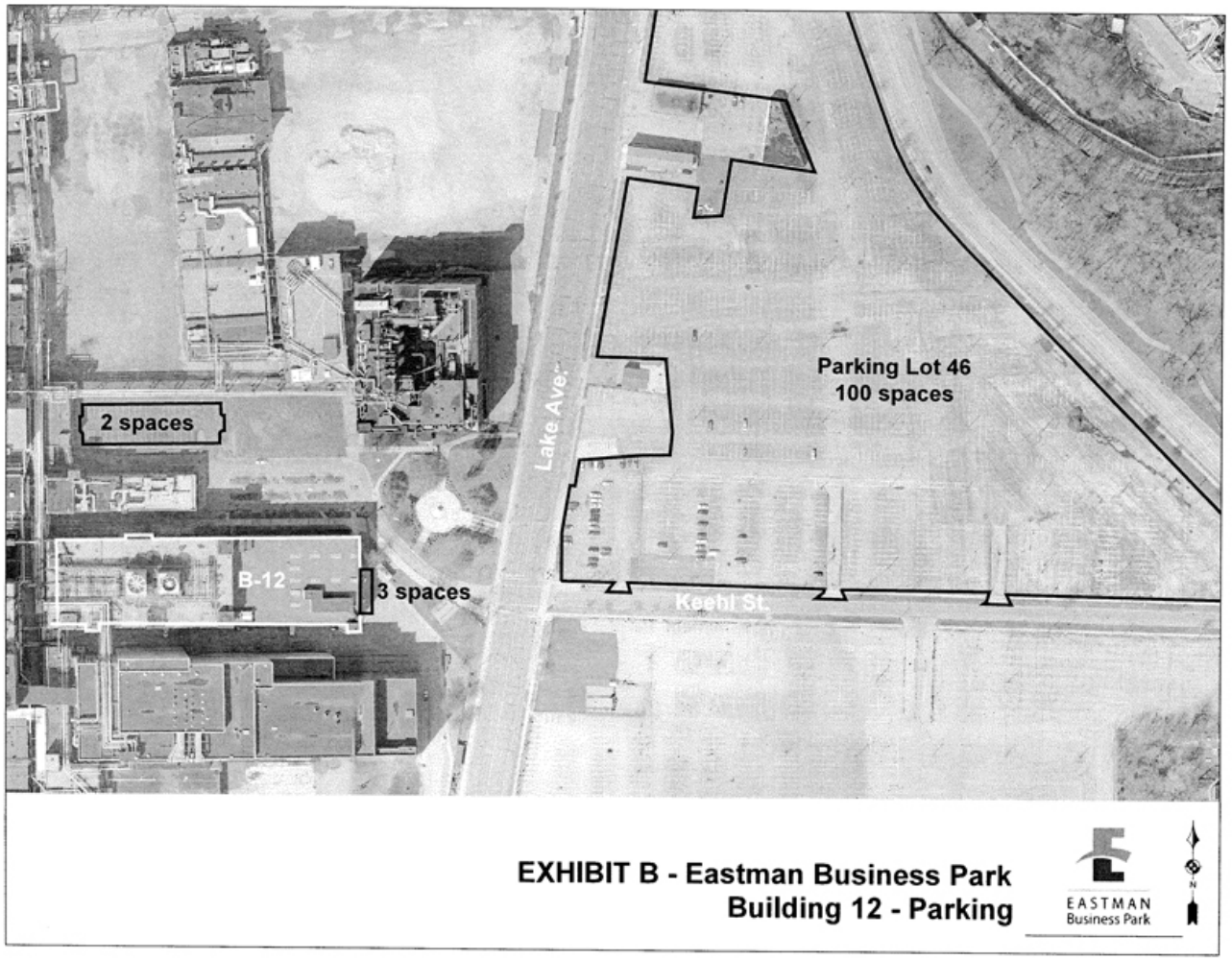

EXHIBIT B - Eastman Business Park
Building 12 - Parking

EASTMAN
Business Park

EXHIBIT C

Floor Plans of Space Subject To Tenant's Expansion Rights

Exhibit “C”

Eastman Business Park

Building 12, Floor 3

(58,389 SF)

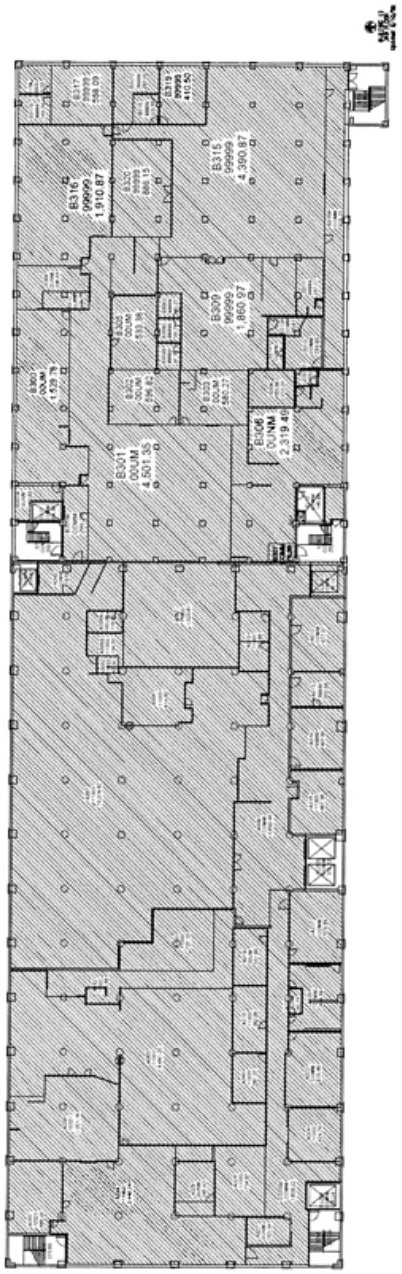

Exhibit “C”

Eastman Business Park

Building 12, Floor 5

(58,005 SF)

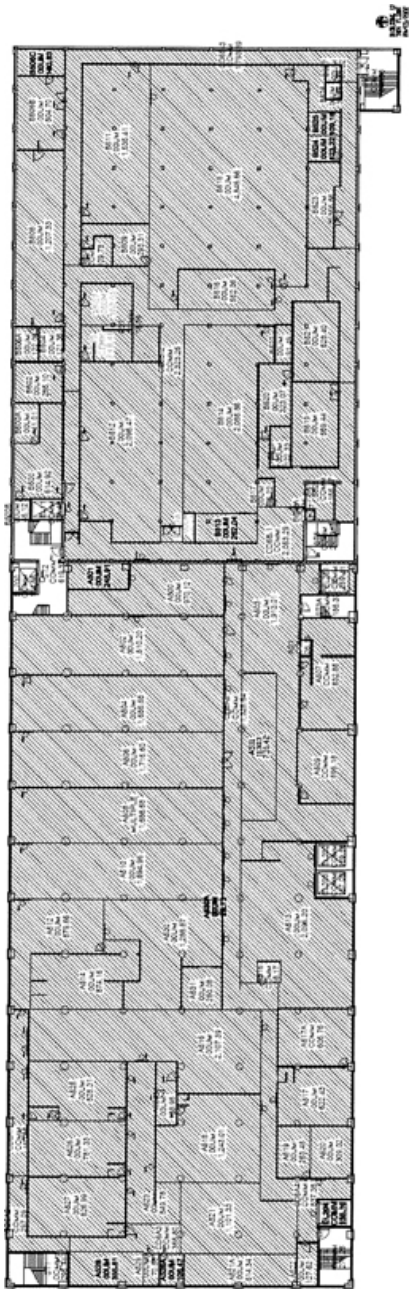

Exhibit “C”

Eastman Business Park

Building 12, Floor 6

(33,576 SF)

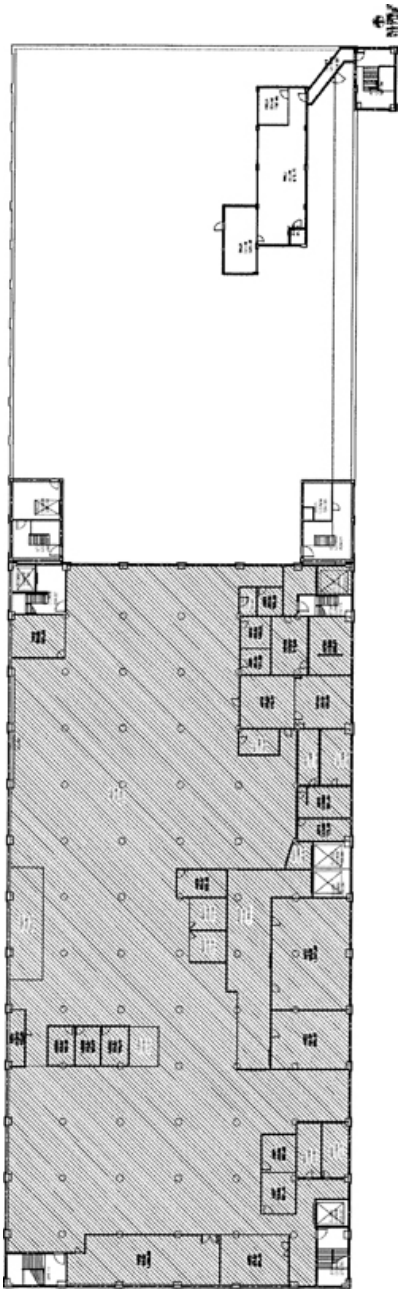

EXHIBIT D

Utility Services Charges

The below table represents the estimated utility rates that Tenant will be charged for each listed utility service. These rates are inclusive of all taxes, and delivery and service fees.

It is understood that the below rates will vary from month to month depending on actual costs charged to Landlord by the on-site utility company RED-Rochester, LLC which provides utility services to Eastman Business Park.

At the end of each calendar year during the Lease Term, the table contained in this **EXHIBIT** D will be updated and the updated copy will be provided to Tenant setting forth the estimated utility rates for the upcoming year.

2015 Planned Utilities Rates

Services Kodak	Units	Rates
LP Steam	per million BTU	$15.26
70 Steam	per million BTU	$17.34
260 Steam	per million BTU	$19.90
Chilled Water	per ton-day	$ 5.29
Electric	per megawatt-hr	$88.57
Compressed Air	per thousand scf	$ 0.65
Demin Water	per thousand gallon	$21.66
HP Water	per thousand gallon	$39.41
Nitrogen	per thousand scf	$ 3.76
Process Water	per thousand gallon	$ 1.28
Potable Water	per thousand gallon	$ 4.79
Fire Access	per square foot	$ 0.01
WWT & Sewer	per thousand gallon	$ 4.86
Water Franchise Fee	per thousand gallon	$ 0.13

EXHIBIT E

Site Requirements

Rochester Site Requirements
for
Tenants

EASTMAN KODAK COMPANY

The Rochester Site Requirements Document is a controlled document.
No changes can be made.
Editor: Site Contracting Office

November - 2013

TABLE OF CONTENTS

1.0 INTRODUCTION

1.1 All Tenants and Subtenants occupying space in or at a Kodak Rochester Site are required to use such space, and all other Kodak Rochester Site facilities, at all times in compliance with the requirements provided herein (the "Site Requirements").

1.2 Each Tenant and Subtenant has the responsibility to inform its employees, Contractors, Subcontractors, agents and any other person accessing a Kodak Rochester Site at its request that these requirements are to be strictly observed.

1.3 If tenant is also a supplier of services to Kodak, for any work performed outside of tenant leased space and on Kodak property, the tenant is performing as a contractor hired by Kodak and is therefore subject to the Site Requirements for Contractors and Subcontractors. This also applies to any tenant-hired contractors or subcontractors providing services to Kodak outside of tenant leased space.

1.4 Kodak reserves the right to make reasonable updates and modifications to these Site Requirements from time to time, and, provided that such updates and modifications do not materially interfere with the Tenant's permitted use of the Tenant's leased premises, such updates and modifications shall apply, after the giving of reasonable notice thereof, to Tenants and Subtenants with the same force and effect as the original requirements.

1.5 In special circumstances the Rochester Site Requirements document and the formal Lease documents may vary, in those cases the Rochester Site Requirements document will become subordinate.

2.0 DEFINITIONS

2.1 **Kodak Rochester Site:** Property and facilities located in the Greater Rochester, New York area which are owned and/or operated by Kodak.

2.2 **Contractor:** Any person, firm, or other third party hired to perform service for Kodak or any other party on a Kodak Rochester Site.

2.3 **Subcontractor:** Any third party which directly or indirectly contracts with a Contractor or Subcontractor to perform work on a Kodak Rochester Site.

2.4 **Tenant:** Any third party which occupies space under a lease, license occupancy or other agreement with Kodak at a Kodak Rochester Site.

2.5 **Subtenant:** A third party which subleases, sublicenses, or otherwise occupies space at a Kodak Rochester Site from a Tenant.

2.6 **Tenant Representative:** The Kodak employee responsible for managing the relationship between Kodak and the Tenant.

2.7 **Building Manager:** The facilities management employee (contract or Kodak) responsible for interfacing with the Tenant for day-to-day building and site maintenance & service issues.

3.0 COORDINATION BETWEEN KODAK AND TENANT

Any changes to, modifications of, or impairments to any Kodak Rochester leased facilities by any Tenant or Subtenant affecting fire protective equipment, fire walls, fire doors, alarm systems, any emergency equipment or devices, or building infrastructure, including egress routes, must be reviewed with the Tenant Representative.

4.0 OBTAINING BUILDING, PLUMBING, AND ELECTRICAL PERMITS

4.1 Kodak will obtain all governmental building, zoning, electrical and other similar permits and approvals relating to any Kodak Rochester Site building work being performed by a Tenant or Subtenant unless Kodak directs otherwise. Each Tenant or Subtenant must notify Kodak, in writing, of all building, plumbing, zoning, and electrical permits and approvals required by any Tenant or Subtenant.

4.2 The Tenant or Subtenant shall not contact any governmental agency on behalf of Kodak without advance written authorization by Kodak for building, plumbing, and electrical permits.

4.3 Except as otherwise provided in the agreement between Kodak and the Tenant or Subtenant, Kodak will schedule and conduct all required building permit, plumbing, and electrical inspections with state and local agencies.

4.4 Nothing in this section shall modify any of the rights and responsibilities of Tenants and Subtenants with respect to the obligations imposed by any permits and approvals.

5.0 HEALTH, SAFETY AND ENVIRONMENT

5.1 **Health, Safety and Environmental Policy:** At Kodak Rochester, we are committed to advancing sustainability through health, safety and environmental excellence by:

- Compliance with regulations and corporate initiatives
- Prevention of pollution
- Providing a safe, healthful and injury free workplace
- Continual improvement of HSE performance, and
- Collaboration with our partners to create a site that is valued by the community

5.2 The Environmental Management System provides common direction to organizations at Kodak to help ensure compliance with corporate and regulatory requirements as well as the requirements of International Standards Organization (“ISO”) 14001. Excellence in HSE performance is a key objective of all operations at Kodak sites, including those involving Contractors and Subcontractors.

5.3 The Tenant shall be responsible to communicate and ensure an understanding of all HSE requirements, referenced in Section 5.0 of this document, to its Contractors, Subcontractors, Subtenants, agents, visitors, and employees working on a specific project prior to occupancy or commencement of any project. This includes ensuring the compliance by its employees, contractors, subcontractors, subtenants, agents and visitors, of all applicable governmental regulations, permits, orders, consent agreements and decrees.

5.4 If unsafe acts or conditions are observed that are deemed to present an immediate danger, Kodak may require that corrections are made immediately and may stop work. Consequences of any such work stoppage shall be borne by the Tenant with no recourse against Kodak or Kodak employees, except in cases of a stoppage of a production line or other business activity being conducted by a Tenant or Subtenant wholly within such Tenant or Subtenant’s leased premises where Kodak had no reasonable basis for ordering the work stoppage.

5.5 **Site Orientation**

5.5.1 Each Tenant and Subtenant shall ensure that all its employees, Contractors and Subcontractors and agents complete the on line general site orientation@ http://www.kodak.com/go/contractorinfo at initial assignment before reporting to work. This program will familiarize individuals with Kodak's general policies, code of conduct, and health safety and environmental issues.

5.5.2 In addition, the tenant is responsible for providing a building or work area site specific HSE orientation and building emergency action plan specifically designed to enable the individual to recognize potential hazards, understand safe work practices, and what to do in the event of an emergency.

5.6 **Incident Reporting**

5.6.1 Tenants and Subtenants will immediately upon discovery, report to the Kodak Communications Center by dialing 585-722-9911 for all:

- Occupational injuries/illnesses requiring emergency treatment (including anything involving blood)
- fires (extinguished or not)
- environmental incidents (including spills, blood, mercury, PCB's)

All Tenants and Subtenants must also notify their Tenant Representative of these incidents within 24 hours.

5.7 Equipment and Tools

5.7.1 All Tenants and Subtenants, and their Contractors and Subcontractors, shall be responsible for the safe operation of any equipment or tools brought on a Kodak Rochester Site. Equipment and tools will only be used or operated by persons thoroughly trained, in accordance with manufacturer specifications and government standards, and qualified to operate that particular equipment.

5.7.2 Kodak shall have no responsibility for any loss or damage to any Tenant or Subtenant, or their Contractors or Subcontractors, equipment or tools, or for the security of such equipment or tools on the Kodak Rochester Site.

5.7.3 Except as otherwise authorized in a written agreement executed by an authorized representative of Kodak, the use of Kodak-owned or leased tools or equipment, by a Tenant or any other non-Kodak employee is forbidden.

5.8 **Flammable Liquids, Gases, and Combustibles:** Flammable liquids and gases or bulk tanks may not be brought on Kodak property without prior approval of the Kodak Risk Engineering and Code Compliance. Storage of quantities greater than 25 gallons of any liquids, gases, and other combustible materials on Kodak premises must be reviewed by the Tenant Representative and Kodak Risk Engineering and Code Compliance. Significant changes in storage configuration of combustible materials and use and storage of flammable and combustible liquids or gases must be reviewed by the Tenant Representative and Kodak Risk Engineering and Code Compliance.

5.9 **Hazardous Substances:** All storage and use of hazardous substances must comply with the New York State Code to which the certificate of occupancy has been issued

(NFPA 30 Table 6.2.3 and International Building Code Table 307.7). Any Tenant or Subtenant shall have sole responsibility for the use, storage and security of any hazardous substances or other chemicals which are brought onto the Premises or the Building by such Tenant or Subtenant. In particular, without limiting the foregoing, such Tenant or Subtenant shall be solely responsible for compliance with respect to the Premises and all operations therein, with the requirements of the Chemical Facility Anti-Terrorism standards set forth in 6 CFR Part 27, and shall also be responsible for compliance with any other federal, state or local laws or regulations governing the security of hazardous materials or chemicals.

5.10 **Permits, Requests and Approvals:** A permit, request or approval is required for certain activities on Kodak Rochester Sites. The Tenant is required to work with the Tenant Representative to identify and acquire the permit, request or approval, and to understand and follow the requirements defined on the permit, request or approval.

5.10.1 Site, building, facilities and utilities related permits, requests and approvals:

- Asbestos Survey Request
- Building Electrical Inspection Request
- Cutting & Coring Structural Elements Work Permit
- Electrical Feeder Circuit Breaker Operation Request
- Electrical Panel Directory Update Request
- Excavation Permit Request
- Lifewalk Request
- Mobil Cranes Request
- New Electrical Service Request
- Outside Signage Request
- Pest Control Request
- Plumbing Authorization Request
- Railroad Permit (for working on or near railroad tracks)
- Relocation or Removal of Electrical Equipment Request
- Rigging Request
- Rochester Site Roadblock Request
- Roofing Services Request
- Scaffolding Request
- Site-Asphalt, Curb, Fence, Rail, Post, Lawn Request
- Site-Survey Request
- Stake Out Utilities Request
- Temporary Power Permit
- Trailer Request (for placing sitting trailer on Kodak Rochester Sites)
- Utility Disconnect Request

5.10.2 HSE related permits, requests and approvals, contact the Tenant Representative

- Safety Data Sheets (SDS) Request
- Industrial/Sanitary/Storm Sewer Usage Request (Kodak Waste Information Characterization KWIC)
- Waste Disposal Request

5.10.3 Fire and security permits, requests and approvals, contact the Tenant Representative or call the Kodak Operations and 911 Center @722-2121.

- Confined Space Permit
- Open Flame/Hot Work Permit

- Sprinkler Riser Shutdown Permit
- Sprinkler Approval

5.10.4 Open Flame/Hot Work permits are required for any heat, sparking or open flame work. This includes but is not limited to:

- abrasive cutoff wheels on metals
- bitumen heating kettles
- blow torches
- electric heating irons and Thermogrip soldering tongs
- flameless heat guns
- hand held band saws generating sparks
- heated bitumen tankers
- lead kettles and pots
- salamanders
- welding

Fire watch assignments may be required on certain open flame/hot work jobs as determined by the Kodak Fire Department and Tenant Representative.

Only carbon dioxide and water fire extinguishers are permitted on Kodak Rochester Sites. “ABC All Purpose” or dry chemical extinguishers are not permitted for use on Kodak Rochester Sites, unless specific permission is granted by the Kodak Fire Department or Risk Engineering Department.

5.11 **Radiation Sources:** Radioactive material shall not be brought onto Kodak property or buildings without prior approval from the Kodak Radiation Safety Officer. This especially applies to high-intensity radiography sources used for welding inspection and other purposes. If the Tenant and Subtenant have a valid radioactive material license from the New York State Department of Labor, arrangements can be made by calling 726-6473 in advance to allow routine use of licensed radioactive material.

5.12 **Rigging:** Contractors or Tenant’s employees, agents, and other persons accessing a Kodak Rochester Site may not rig for any purpose including fall arrest protection from a Kodak owned structure without approval from the Tenant Representative.

5.13 **Vehicle Safety Rules:** All Tenants must comply with all New York State vehicle and traffic laws and the following while on Kodak property:

- Seatbelts must be worn by all drivers and passengers in all vehicles being operated on Kodak premises when vehicles are so equipped.
- Personnel shall not ride in any compartment not intended for passenger occupancy.
- Pedestrians in marked life walks should be given right of way at all times.
- Smoking is not permitted in vehicles while on Kodak premises.
- Individuals will drive and park in a safe manner and obey speed regulation signs and site conditions. Parking is allowed only in designated spaces. Drivers shall back vehicles into parking spaces if the parking space is perpendicular to a Kodak Park road.
- Vehicles are subject to inspection by Kodak’s Security staff at any time.
- When driving vehicles not equipped with automatic backup alarms, the driver will sound the horn prior to and during backing up.
- The use of hand-held devices is prohibited while driving on Kodak property.

5.14 **HSE Information Notification of Change**

Tenants who lease or license space from Kodak are required to:

- Notify the Tenant Representative and the Building Manager immediately of significant changes associated with operations. Significant changes include but are not limited to:
- Changes to emergency procedures, shared egress, traffic flow, building architecture.
- Modification to processes or equipment that affects Kodak utilities and facilities (e.g. water, building air, breathing air, electric, ventilation, industrial sewer, fire protection systems, alarm systems, air emissions, pollution prevention devices).
- New uses or volume increases of hazardous chemicals (defined by OSHA 1910.1200 Hazard Communication).
- Processes or equipment with inherent hazards (e.g. chemical, noise, radiation, high pressure, high temperature, and high voltage) which if a failure occurs could result in significant risk.
- Changes to testing and maintenance of key safety systems (e.g. rupture disks, relief valves) and engineering controls that could result in significant risk.
- Annually submit updated Tenant HSE Information form to the Tenant Representative. See Appendix A for an example of Tenant HSE information form requirements.

5.15 **Waste Management**

Disposal of wastes and/or wastewaters from Tenant locations must be in accordance with lease, applicable federal, state and local laws and regulations and building procedures.

6.0 KODAK RULES OF CONDUCT

6.1 Personal conduct is the driving force for maintaining an environment that is free from pressures and diversions that are not appropriate for a work setting. All employees and agents of all Tenants, Subtenants and their Contractors and Subcontractors are required to know and follow Kodak's Rules of Conduct, set forth in Section 6.

6.2 Know and follow Health, Safety and Environmental rules and procedures, detailed in Section 5.0 herein.

6.3 There shall be NO SMOKING on any Kodak Rochester Site, including all electronic smoking devices several exceptions do exist, contact the Tenant Representative for further information.

6.4 No firearms, explosives or other weapons shall be brought onto or used at any Kodak Rochester Site at any time.

6.5 No person shall use, manufacture, sell, distribute or possess alcoholic beverages, illegal drugs or other illegal chemical substances on any Kodak Rochester Site, nor shall any person report to work or enter any Kodak Rochester Site at any time under the influence of alcoholic beverages or illegal drugs.

6.6 No person shall engage in fighting, horseplay or gambling, on any Kodak Rochester Site.

6.7 No theft, unauthorized use, removal, destruction, falsification, or defacing of products, records, or property.

6.8 No unauthorized disclosure of Kodak information.

6.9 No person shall perform solicitation, in any manner or form, outside of the leased Premise, including common areas.

6.10 No conduct, which may be perceived by others as harassing, threatening, discriminatory or offensive (verbal, non-verbal, physical or sexual), shall be allowed on any Kodak Rochester Site.

6.11 The Tenant shall also:

6.11.1 Provide Kodak with the name of a Tenant contact person to whom Kodak can refer complaints.

6.11.2 Upon Corporate Security request, inform Kodak of the steps taken to investigate allegations that a Tenant employee has engaged in acts of harassment, whether the investigation indicates that the allegations are true, and whether disciplinary action was taken.

6.11.3 Work cooperatively with Kodak to investigate situations involving employees of Kodak and the Tenant.

7.0 PHOTOGRAPHS AND DIGITAL IMAGES ON KODAK PROPERTY

Tenants must obtain Operational Department management approval prior to taking of photographs, digital images, or sound and video recordings, including cellular phone images. If you are uncertain or have a question about these areas, contact the Tenant Representative.

8.0 PERSONNEL AND VEHICULAR ACCESS TO ROCHESTER PLANT SITES

8.1 Any Tenant or Subtenant requiring access to any Kodak Rochester Sites (walk-in or drive-in), or desiring access to any portion of any Kodak Rochester Site other than its leased premises or common areas defined in its lease or sublease agreement, must obtain access authorization from the Tenant Representative or designated access coordinator in accordance with site access policies as defined by the Site Contracting Office. Requests for drive-in vehicle passes (for Eastman Business Park or other restricted access roadways or parking areas) should be directed to the Tenant Representative. All drivers must possess a valid driver’s license.

8.2 Tenants and Subtenants will be permitted to bring commercial motor vehicles onto the Eastman Business Park site or other restricted access areas only to the extent required for the delivery or removal of materials or equipment.

8.3 Personal vehicles are prohibited on the Eastman Business Park site unless approved by the Kodak Representative. Numerous lots surrounding the perimeter of Kodak sites are available for Tenant and Subtenant parking. Parking arrangements will be coordinated by the Kodak Rochester Parking Office at Passfab@kodak.com

8.4 Any individual having access to any Kodak Rochester Site shall, at all times when present at any such Site, prominently display on his/her exterior clothing an identification badge which has been issued by Kodak. All Tenant and Subtenant employees or agents requiring on-site access for greater than 10 days will be issued a Kodak non-Kodak employee photo identification badge clearly identifying the individual and the company they are representing.

8.5 Tenant or Subtenant employees or agents requiring on-site access who do not possess a

Kodak non-Kodak employee photo identification badge will be issued a temporary identification badge and must be escorted by someone with a valid ID badge. Exceptions must be approved by Corporate Security.

8.6 All Tenant employees receiving a Kodak non-Kodak employee photo identification badge, and any other Tenants who are requested to do so by Kodak, complete the on line Kodak Rochester general site orientation @ http://www.kodak.com/go/contractorinfo prior to being permitted access to a Kodak Rochester Site.

8.7 Employees and agents of Tenants and Subtenants may be limited to enter a Kodak Rochester Site or particular building at such site, to specified gate location or door only. Changes in hours of access and particular access points can be requested through the Tenant Representative.

8.8 Any Tenants or Subtenants removed from any Rochester Site for due cause, may not be permitted access to that site or any other Kodak Rochester Site in the future.

8.9 Any Tenants or Subtenants, whose employees access any Kodak Rochester Site, shall provide in writing to the Tenant Representative the name of the individual within its company who will serve as Access Coordinator. Duties of the Access Coordinator include (a) immediate reporting to Kodak of any terminated employee with access to any Kodak Rochester Site (b) monitoring and management of expiration and renewal dates for Kodak non-employee photo identification badges and Kodak assigned drive-in passes.

8.10 Tenant employees passing through an electronically controlled ingress or egress point shall present their non-Kodak employee photo identification badge to the controlling card reader regardless of the door or turnstile condition (i.e., held open, malfunction, etc.).

9.0 SITE SERVICES

9.1 **Food Service Provider:** It is acknowledged that Kodak has an exclusive agreement with a specific food service provider at each Kodak Rochester Site. Each Tenant shall have the right to use the food service provider selected by Kodak to provide such food services to the Tenant and its respective employees and invitees at each Kodak Rochester Site. Except for the permitted food service provided, tenants shall not have the right to allow other food service provider's access to any Kodak Rochester Site, with these exceptions:

- If the tenant offers Kodak's Supplier the opportunity to provide food service for a specific event, and the Supplier declines the opportunity, the tenant shall not be restricted from arranging for food service to be provided by any other Supplier.
- If the Kodak Supplier does not provide food service or vending service to any building located at Eastman Business Park, the tenant shall not be subject to any exclusivity obligations.

9.2 **Security Services:** It is acknowledged that Kodak has an exclusive agreement with a Contract Security service provider at each Kodak Rochester Site. Each Tenant shall have the right to use the security service provider selected by Kodak to provide additional security services to the Tenant and its respective employees and invitees at each Kodak Rochester Site, at tenant's expense. Except for the permitted security service provider authorized by Kodak, which authorization shall not be unreasonably withheld, Tenants shall not have the right to allow other security service provider's access to any Kodak Rochester Site.

9.3 Tenant shall be responsible for paying directly for costs associated with all mail services and package delivery in, to, and from the Premise and building.

9.4 Tenants shall apply their own postage to all their outgoing mail, documents and packages.

10.0 ROCHESTER SITES NOISE POLICY

10.1 All activities at the Rochester Site shall comply with all applicable municipal noise ordinances, and the Rochester Site Noise Policy, which applies to all planned activities including, but not limited to, routine maintenance, repair, and construction activities.

10.2 Activities performed outside of the noise policy guidelines must be approved in advance by Tenant Representative. Additional Kodak approvals may also be required.

10.3 Any new construction or modification of existing operations shall not result in increased fence line noise levels.

11.0 SITE VISITS BY REGULATORY AGENCIES

11.0 Should any governmental or regulatory agency contact a Tenant to request or demand access to any Kodak Rochester Site for any reason, the Tenant shall notify the Tenant Representative immediately. To the extent that the request or demand for access involves portions of the Site outside of the Tenant's leased premises, the Tenant Representative will coordinate all arrangements between Kodak and the agency.

12.0 SEVERE WEATHER AND NATURAL DISASTER PLAN

12.1 In the event that severe weather or natural disaster conditions create the need for the cancellation or curtailment of operations at any Kodak Rochester Site, the following will occur:

12.1.1 Cancellations, curtailments, or postponements will be broadcast on local radio and television stations. Recorded messages will be provided regarding restrictions or shutdowns due to severe weather at 585-724-6107.

12.1.2 During a snow emergency, access to Kodak Sites will be severely restricted or prohibited to non-essential vehicles to maintain essential production and emergency traffic. Alternative parking will be designated at vehicle entrances.

Appendix A

Tenant HSE Information

Please type responses in the boxes, print the form, sign, and return to Robin Chontosh, Eastman Kodak Company, 1669 Lake Avenue, Rochester, NY 14652-4449.

Tenant/Prospective Tenant	Building / Location	Date
Tenant HSE Contact:	Phone #:	

1. Briefly describe the operations to be conducted in the area:
2. List hazardous chemicals and quantities (defined by *OSHA 1910.1200 Hazard Communication)* used in the area (attach separate list if necessary):
3. List processes or equipment with inherent hazards (e.g., chemical, noise, radiation, high pressure, high temperature, high voltage) used in the area:
4. Describe key process safety systems (e.g., rupture disks, relief valves) and how they are maintained:
5. How do you maintain your exhaust ventilation controls (lab hoods, ventilated enclosures, slot ventilation, flex ducts, etc).
6. Provide listing of discharges to the Kodak industrial and sanitary sewers indicating any changes from previous years: (include approved KWIC Profile ID#'s for all industrial sewer discharges):
7. Briefly describe your management system for HSE issues including change management procedures:
8. Provide listing of all regulatory agency findings and permit deviations, including corrective actions, for the past year:

I certify that to the best of my knowledge the information above is true, accurate, and complete.

Manager (print name): _____

Manager (sign name): _____

EXHIBIT F

COMMERCIAL LEASE GUARANTY

In consideration of and in order to induce **EASTMAN KODAK COMPANY** ("Landlord") to enter into a lease agreement with COLUMBIA **CARE NY LLC** ("Tenant") having an effective date of April 30th, 2015 ("Lease"), deemed attached hereto and incorporated herein, the undersigned guarantor **COLUMBIA CARE, LLC** ("Guarantor") hereby enters into this Guaranty as of this 30th day of April, 2015.

1. Guarantor hereby absolutely and unconditionally guarantees to Landlord, its members, successors and assigns, the prompt and full payment of all rent and other payments to be made by Tenant under the Lease, and the full performance and observance by Tenant of all the other terms, covenants, conditions to be performed and observed by Tenant, for which Guarantor shall be jointly and severally liable with Tenant. Guarantor hereby waives any notice on nonobservance, or proof of notice or demand. Guarantor agrees that in the event of a default by Tenant under the Lease, Landlord may proceed against the Guarantor before, after or simultaneously with proceeding against Tenant.

2. This Guaranty shall not be terminated, affected, or impaired in any manner by reason of (1) the assertion by Landlord against Tenant of any of the rights or remedies reserved to Landlord pursuant to the provisions of the Lease; (2) the commencement of summary or other proceedings against Tenant; (3) the failure of Landlord to enforce any of its rights against Tenant; or (4) the granting by Landlord of any extensions of time to Tenant.

3. General Provisions

   A. Guarantor further covenants and agrees that: (1) Guarantor shall be bound by all the provisions, terms, conditions, restrictions and limitations contained in the Lease which are to be observed or performed by Tenant thereunder, the same as if Guarantor were named therein as Tenant; (2) this Guaranty shall be absolute and unconditional and shall be in full force and effect and be binding upon Guarantor until the lease is performed in full; (3) Guarantor is not presently insolvent and will not be rendered insolvent by virtue of the execution and delivery of this Guaranty; (4) Guarantor has not executed or delivered this Guaranty with actual intent to hinder, delay or defraud Guarantor's creditors; and (5) Landlord has entered into the Lease in reliance upon this Guaranty. In the event either Landlord or Tenant validly terminates the Lease, Guarantor's obligations pursuant to this Guaranty or the Lease shall also cease and terminate.

   B. If Landlord at any time is compelled to take action, by legal proceedings or otherwise, to enforce or compel compliance with the terms of this Guaranty, the undersigned shall, in addition to any other rights or remedies to which Landlord may be entitled hereunder or as a matter of law or in equity, pay to Landlord all costs, including reasonable attorney's fees, incurred or expended by Landlord in connection therewith.

C. In the event the Lease is disaffirmed by a Trustee in bankruptcy for Tenant, Guarantor agrees that it shall, at the election of Landlord, either assume the Lease and perform all of the covenants, terms and conditions of Tenant thereunder or enter into a new lease, which said new lease shall be in form and substance identical to the Lease. In the event Landlord elects to require Guarantor to assume the Lease and perform all of the covenants, terms, and conditions of Tenant thereunder, Guarantor shall be given a reasonable opportunity to cure any default(s) by Tenant and Guarantor will retain all of the rights which formerly inured to the benefit of Tenant, including Tenant's rights pursuant to the Article XV of the Lease.

D. All duties and obligations of Guarantor pursuant to this Guaranty shall be binding upon the successors and assigns of the undersigned.

E. Guarantor agrees that no failure on the part of the Landlord to exercise, and no delay in exercising, any right or remedy hereunder shall operate as or constitute a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy hereby or by any other related document or by law.

F. This Guaranty shall be governed by and construed in accordance with the laws of the State of New York.

G. Guarantor waives and shall have no right of subrogation, indemnification, reimbursement or exoneration with respect to the liabilities of Tenant under the Lease

4. Time is of the essence of this Guaranty.

5. This Guaranty and any attached addenda constitute the entire Guaranty and no oral statement or amendment not reduced to writing and signed by Guarantor shall be enforceable.

IN WITNESS WHEREOF, Guarantor has hereto set its hand and seal this ____ day of April, 2015.

GUARANTOR: COLUMBIA CARE LLC

BY: _____
NAME: _____
TITLE: _____

LEASE AGREEMENT
(Single Tenant; Triple Net)

BETWEEN

MM DOWNTOWN FACILITY, LLC,
a California limited liability company

AND

PHC FACILITIES, INC.,
a California corporation

LEASE AGREEMENT
(Single Tenant; Triple Net)

THIS LEASE AGREEMENT **("Lease")** is made and entered into effective as of the 1st day of April 10, 2019, by and between **MM DOWNTOWN FACILITY, LLC,** a California limited liability company **("Landlord"),** and **PHC FACILITIES, INC.,** a California corporation doing business as **("Tenant").**

ARTICLE I. BASIC LEASE PROVISIONS

Each reference in this Lease to the **"Basic Lease Provisions"** shall mean and refer to the following collective terms, the application of which shall be governed by the provisions in the remaining Articles of this Lease.

1. **Overall Land:** Approximately 26,790 square feet of land (the **"Overall Land")** more particularly described on Exhibit "A" attached hereto, upon which is constructed a two (2) story building containing approximately 36,153 square feet (the **"Building").** The Overall Land has a street address of 1425 Long Beach Avenue, Los Angeles, California 90021 and is depicted on the Site Plan attached hereto as Exhibit "B". The portion of the Overall Land that is not part of the Premises (defined below) (the **"Grow Premises")** is concurrently being leased to Tenant under a separate lease.

2. **Premises:** That portion of the Overall Land and Building depicted on the Site Plan attached hereto as Exhibit "C" (the **"Premises"),** containing approximately 18,000 square feet.

3. **Use of Premises:** Retail Sales, storage, warehousing and distribution of medical marijuana and related products, including related office uses. Tenant acknowledges that the specification of such uses means only that Landlord has no objection to the specified use and does not include any representation or warranty by Landlord as to whether or not such specified use complies with applicable laws and/or requires special governmental permits.

4. **Commencement Date:** April 10, 2019

5. **Term:** Thirty-Six (36) months from and after the Commencement Date, subject to extension as provided in Section 3.2 and Section 15.1 or earlier termination as provided herein, but subject to adjustment as set forth in Section 4.1(b).

6. **Basic Rent:**

Lease Year	Annual Basic Rent	Monthly Basic Rent
1	$120,000.00	$10,000.00
2	$120,000.00	$10,000.00
3	$120,000.00	$10,000.00

7. **Percentage Rent:** See Section 4.2 below.

8. **Security Deposit:** $10,000.00

9. **Broker(s):** None

10. Payments and Notices:

LANDLORD	**TENANT**
MM Downtown Facility, LLC 9301 Wilshire Blvd., Suite 425 Beverly Hills, California 90210	PHC Facilities, Inc. 1425 Long Beach Avenue Los Angeles, California 90021
with a copy of notices to:	with a copy of notices to:
Randy Katz Baker & Hostetler LLP 600 Anton Blvd. Suite 900 Costa Mesa, CA 92626	_____ _____ _____

For payments made by ACH:

MM Downtown Facility, LLC
9301 Wilshire Blvd., Suite 425
Beverly Hills, California 90210

EXHIBITS

EXHIBIT A	Legal Description of Overall Land
EXHIBIT B	Site Plan for Overall Land
EXHIBIT C	Site Plan for Premises
EXHIBIT D	Tenant's Insurance

ARTICLE II. PREMISES

SECTION 2.1. PREMISES. Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord, on the terms and conditions set forth in this Lease.

SECTION 2.2. ACCEPTANCE OF PREMISES. Tenant acknowledges that neither Landlord nor any representative of Landlord has made any representation or warranty with respect to the Premises or its suitability or fitness for any purpose, including without limitation any representations or warranties regarding the compliance of Tenant's use of the Premises with the applicable zoning or regarding any other land use matters, and Tenant shall be solely responsible as to such matters. Landlord shall deliver the Premises to Tenant on the Commencement Date and shall not be required to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof in connection therewith. As of the Commencement Date, Tenant shall be conclusively deemed to have accepted the Premises in its "as-is" condition.

ARTICLE III. TERM

SECTION 3.1. GENERAL. The term of this Lease **("Term")** shall be for the period shown in Item 5 of the Basic Lease Provisions. The Term shall commence on the Commencement Date. The date on which this Lease is scheduled to terminate is referred to as the **"Expiration Date."**

For the purposes of this Lease, the term **"Lease Year"** means each twelve (12) month period during the Term, commencing on the Commencement Date, subject to adjustment as set forth in Section 3.2(b).

SECTION 3.2. RIGHT TO EXTEND THE TERM.

(a) Provided that Tenant is not in default under any provision of this Lease at the time of exercise of the extension right granted herein or as of the commencement of the extension period, Tenant may extend the Term of this Lease for one (1) period of thirty-six (36) months. Tenant shall exercise its right to extend the Term by delivering to Landlord, not less than twelve (12) months prior to the then-scheduled Expiration Date, Tenant's written notice of its election to extend the Term. The Basic Rent payable under this Lease during the extension of the Term shall be as follows:

Lease Year	Annual Basic Rent	Monthly Basic Rent
4	$126,000.00	$10,500.00
5	$126,000.00	$10,500.00
6	$126,000.00	$10,500.00

(b) If Tenant fails to timely exercise its extension right under subsection (a) above within the time periods set forth above, Tenant's right to extend the Term shall be extinguished and this Lease shall automatically terminate on the Expiration Date.

ARTICLE IV. BASIC RENT AND PROPERTY TAXES

SECTION 4.1. BASIC RENT.

(a) Commencing on the Commencement Date, Tenant shall pay to Landlord, without deduction or offset, the amount of Basic Rent shown in Item 6 of the Basic Lease Provisions (or if the Term is extended, the Basic Rent shown in Section 3.2 above). The Basic Rent shall be due and payable monthly in advance commencing on the Commencement Date and continuing thereafter on the same day of each successive calendar month of the Term. No demand, notice or invoice shall be required.

(b) Notwithstanding the foregoing, at the option of Landlord, upon notice to Tenant on or prior to the Commencement Date, Basic Rent shall be due and payable on the first day of each month during the Term. In such event, the Basic Rent payable on the Commencement Date shall be prorated and shall cover the period from the Commencement Date through the end of the month in which the Commencement Date occurs (the **"Proration Period")** with the next payment of Basic Rent due on the first day of the immediately following month. Further, in such event, the Term of this Lease shall run thirty-six (36) months from the first (1"[1]) day of the month following the end of the Proration Period, and the first Lease Year shall include the Proration Period.

SECTION 4.2. PERCENTAGE RENT.

(a) Rate. Commencing on the Commencement Date and continuing until the expiration or earlier termination of this Lease, Tenant shall pay to Landlord (without deduction, setoff, prior notice or demand, except as otherwise provided in this Lease) percentage rent **("Percentage Rent")** equal to five percent (5%) of the dollar amount of the Gross Sales (as defined in Section *4.2(e)* below) made in the Premises during each Lease Year of the Term.

(b) Quarterly Reports. On or before the forty-fifth (45th) day following the end of each calendar quarter during the Term, Tenant shall mail to Landlord, at the place where Rent is payable, a statement showing Gross Sales made in the Premises for the preceding calendar quarter.

(c) Annual Reports and Payment. On or before the ninetieth (90th) day following (i) the end of each Lease Year during the Term, and (ii) the last day of the Term, Tenant shall mail to Landlord, at the place where Rent is payable, a statement showing Gross Sales made in the Premises for the preceding Lease Year (or if applicable, the portion thereof prior to the termination of this Lease), together with any Percentage Rent due.

(d) Record Keeping and Audits. Tenant shall maintain complete and accurate books of account and records of Gross Sales, which books of account and records shall be maintained by Tenant for at least two (2) years. Landlord, at its sole cost, shall be entitled to have an audit made of such books of account and records of Gross Sales by qualified representatives of Landlord. Such audit may be made only by Landlord giving Tenant at least thirty (30) days' prior written notice; there shall be no more than one (1) audit for each Lease Year; and such audit must be completed within three (3) years from the expiration of the Lease Year being audited. No auditor engaged by Landlord shall be compensated in whole or in part on a contingency basis. If the audit discloses that any payment of Percentage Rent by Tenant for the period audited was not correct, Tenant shall immediately pay any additional amount due Landlord as disclosed by the audit and Landlord shall immediately refund Tenant the amount of any over payment as disclosed by the audit. In addition, if the audit discloses an underpayment of Percentage Rent by Tenant in excess of three percent (3%) of Percentage Rent paid by Tenant, then Tenant shall reimburse Landlord's reasonable audit cost.

(e) Gross Sales. **"Gross Sales"** means the actual sales price of, or other consideration paid for, all merchandise, and the actual charges for all services performed or benefits received, on or from the Premises, by Tenant or by any subtenant, licensee or concessionaire, whether for cash, or otherwise (without deduction for inability or failure to collect) including, but not limited to, such sales and services (a) where the orders therefor originate on or from the Premises, whether delivery or performance is made from the Premises or from some other place, (b) made pursuant to orders mailed, telephoned, e-mailed to or otherwise received at, or filled from, the Premises, (c) by means of mechanical or other vending devices in the Premises, (d) take-out orders and (e) as a result of transactions originated on or from the Premises. Each sale upon installment or credit shall be treated as part of Gross Sales for the full price in the month in which said sale is made, irrespective of the time when Tenant shall receive payment therefor. Gross Sales does not include any of the following:

(i) The selling price of all merchandise returned by customers and accepted for full credit or the amount of discounts and allowances made thereon;

(ii) Goods returned to sources, or transferred to another store or warehouse owned by or affiliated with Tenant;

(iii) Sums and credits received in the settlement of claims for loss of or damage to merchandise, to the extent previously reported as Gross Sales;

(iv) Alteration workroom charges and delivery charges;

(v) Cash refunds made to customers in the ordinary course of business, but this exclusion shall not include any amount paid or payable for what are commonly referred to as “trading stamps”;

(vi) Interest, service or sales carrying charges or other charges, however denominated, paid by customers for extension of credit on sales and where not included in the merchandise sales price;

(vii) Receipts from public telephones, stamp machines, public toilet locks, or vending machines installed solely for use by Tenant’s employees;

(viii) Sales taxes, so-called luxury taxes, consumers’ excise taxes, gross receipts taxes and other similar taxes now or hereafter imposed upon the sale of merchandise or imposed upon the sale of merchandise or services, but only if collected separately from the selling price of merchandise or services and collected from customers;

(ix) Sales of fixtures, equipment or property which are not stock in trade; and

(x) Gift certificate or like vouchers until such time as the same shall have been converted into a sale by redemption;

(xi) The amount of bad debts and bad checks resulting from sales made from the Premises which previously have been included in reported Gross Sales, after Tenant has made its customary collections efforts and written off such amounts as uncollectible;

(xii) Bulk sales or sales of Tenant’s inventory, or Tenant’s furniture, fixtures or equipment, incidental to the cessation of business at the Premises or otherwise occurring other than in the ordinary course of business;

(xiii) Merchandise returned for credit to shippers, jobbers, wholesalers and manufacturers;

(xiv) Tips or other gratuities given by customers to Tenant’s employees and which are actually distributed to such employees;

(xv) Any service charge paid by customers to Tenant to the extent actually distributed to employees in lieu of such employees receiving tips or gratuities from customers;

(xvi) Non-cash giveaways or donations or giveaways to non-profit, charitable or religious organizations;

(xvii) Sale of employee uniforms;

(xviii) Merchandise purchased by employees at a discount;

(xix) Refunds and trade-in allowances given to customers;

(xx) The discounted portion of the sales price of food and beverages given to a customer as compensation for unsatisfactory food or service;

(xxi) Where coupons, courtesy discounts given to customers or Tenant, or other comps or discount promotions are used, only the actual sale price paid to Tenant shall be included in Gross Sales;

(xxii) The portion of the cost of meals provided at no or reduced cost to Tenant's employees; and

(xxiii) Proceeds of insurance.

SECTION 4.3. PROPERTY TAXES.

(a) In addition to Basic Rent, Tenant shall pay (directly to the taxing authorities) an amount equal to each installment of Property Taxes (as defined below) due or accruing during the Term, at least thirty (30) days prior to the applicable delinquency date for such installment. Any installment which covers any period of time after the Expiration Date shall be prorated. Landlord will provide Tenant with a copy of all Property Tax bills promptly after receipt by Landlord, and in any event in sufficient time for Tenant to pay each installment of Property Taxes timely. Tenant will provide Landlord with evidence of payment of each installment of Property Taxes at least ten (10) business days prior to the delinquency date. Upon request by Landlord, if any installment of Property Taxes is paid past the delinquency date (other than because Landlord did not timely submit the Property Tax bill to Tenant), Tenant shall be responsible for any penalties incurred.

(b) The term **"Property Taxes"** as used herein shall include any form of federal, state, county or local government or municipal taxes, fees, charges or other impositions of every kind (whether general, special, ordinary or extraordinary) related to the ownership, leasing or operation of the Premises, including without limitation, the following: (i) all real estate taxes or personal property taxes levied against the Premises, as such property taxes may be reassessed from time to time; and (ii) other taxes, charges and assessments which are levied with respect to this Lease or to the improvements, fixtures and equipment and other property of Landlord located on the Premises, (iii) all assessments and fees for public improvements, services, and facilities and impacts thereon, including without limitation arising out of any Community Facilities Districts, "Mello Roos" districts, similar assessment districts, and any traffic impact mitigation assessments or fees; (iv) any tax, surcharge or assessment which shall be levied in addition to or in lieu of real estate or personal property taxes, other than taxes covered by Article VIII; (v) taxes based on the receipt of rent (including gross receipts or sales taxes applicable to the receipt of rent) and (vi) costs and expenses incurred in contesting the amount or validity of any Property Tax by appropriate proceedings. Notwithstanding the foregoing, general net income or franchise taxes imposed against Landlord shall be excluded. Also excluded are any penalties, interest or other costs incurred by Landlord as a result of the late payments of Property Taxes. For purposes hereof, Tenant's share of Property Taxes for the Premises shall be 49.8% of the Property Taxes assessed on the Overall Land.

(c) Tenant shall have the right to request that Landlord contest (or apply for a reduction of) any Property Tax bill, at Tenant's expense. If Landlord does not decide to contest (or apply for a reduction) of any Property Tax bill, then Landlord shall permit Tenant to contest (or apply for a reduction of) any Property Tax bill in Landlord's name, but at Tenant's expense and provided Tenant pays all such Property Taxes during the pendency of such contest.

SECTION 4.4. RENT. As used herein, the term "additional rent" shall be deemed to include any and all monetary obligations of any type whatsoever other than Basic Rent to be paid by Tenant pursuant to the terms of this Lease. Basic Rent together with additional rent shall be referred to herein as "rent".

ARTICLE V. USE

SECTION 5.1. PERMITTED USE. Tenant shall use the Premises only for the purposes stated in Item 3 of the Basic Lease Provisions, or any other use reasonably related thereto (the **"Permitted Use").** Notwithstanding anything contained herein to the contrary, Tenant shall not use or allow the Premises to be used for any unlawful purpose, other than as permitted by the laws of the State of California and ordinances of the City of Los Angeles, nor shall Tenant permit any nuisance or commit any waste on the Premises. Tenant shall comply, at its expense, with all present and future laws, statutes, ordinances and requirements of all local, municipal and state governmental authorities that pertain to the Premises, Tenant or its specific use of the Premises (collectively, **"Applicable Law").** Tenant's obligation under the immediately preceding sentence shall specifically require Tenant to make any structural repairs to the Building, or to clean up or remediate any Hazardous Materials in, on, under or about the Premises.

SECTION 5.2. SIGNS. Tenant shall have the exclusive right to install (at Tenant's expense) any signage on the exterior of the Building that Tenant desires, subject only to compliance with Applicable Law and, except for temporary signage, subject to Landlord's prior written consent. Tenant shall maintain and repair any such signs, and shall remove same from the Building upon the expiration or earlier termination of this Lease (and shall repair any damage caused by such removal).

SECTION 5.3. HAZARDOUS MATERIALS.

(a) For purposes of this Lease, the term **"Hazardous Materials"** means (i) any "hazardous material" as defined in Section 25501(o) of the California Health and Safety Code, (ii) hydrocarbons, polychlorinated biphenyls or asbestos, and (iii) any toxic or hazardous materials, substances, wastes or materials which are regulated by any other applicable state, federal or local law or regulation because they are potentially hazardous to the health, safety or welfare of humans or the environment.

(b) Tenant shall not cause or permit any Hazardous Materials to be brought upon, stored, used, generated, released or disposed of on, under, from or about the Premises (including without limitation the soil and groundwater thereunder) without the prior written consent of Landlord, which consent may be given or withheld in Landlord's sole and absolute discretion. Notwithstanding the foregoing, Tenant shall have the right, without obtaining prior written consent of Landlord, to utilize or store within the Premises the following products and materials which may contain Hazardous Materials, to the extent normally and customarily utilized by Tenant at the Premises for the Permitted Uses in connection with its business operations therein: (A) a reasonable quantity of standard office products (such as photocopy toner, "White Out", and the like) (collectively, **"Office Products"},** (B) inventory held for resale **("Inventory")** and (C) products and materials used in connection with Tenant's usual and customary maintenance operations on the Premises (collectively, **"Maintenance Products"),** provided however that (i) Tenant shall comply with all Applicable Law with respect to such products and materials, (ii) all Inventory containers shall remain unopened (for clarification, the foregoing does not prohibit Tenant from unpackaging cartons of Inventory or breaking down shrink-wrapped bundles of Inventory, or performing like activities to prepare the Inventory for re-sale}, and (iii) to the extent applicable, the other provisions of this Section 5.3 shall apply. Tenant shall not be entitled or permitted to install any underground tanks under, on or about the Premises for storage of Hazardous Materials

without the express written consent of Landlord, which may be given or withheld in Landlord's sole and absolute discretion but exercised in good faith. However, Landlord's consent shall not be required to replace either of the existing underground storage tanks with new underground storage tanks of the same or lesser capacity. Landlord may place such reasonable conditions as Landlord deems appropriate (giving due consideration to Tenant's business operations) with respect to Tenant's use, storage and/or disposal of any Hazardous Materials requiring Landlord's consent.

(c) Landlord and its agents shall have the right, but not the obligation (at Landlord's expense unless Tenant is determined to be in breach of this Lease in connection with Hazardous Materials), to inspect, sample and/or monitor the Premises and/or the soil or groundwater thereunder at any reasonable time with reasonable prior notice to determine whether Tenant is complying with the terms of this Section 5.3, and in connection therewith Tenant shall provide Landlord with full access to all facilities, records and personnel related thereto (except for attorney-client privileged communications or documents otherwise protected as provided in this Section 5.3(c)). If Tenant is not in compliance with any of the provisions of this Section 5.3, or in the event of a release of any Hazardous Material on, under, from or about the Premises caused or permitted by Tenant, its agents, employees, contractors, licensees or invitees, Landlord and its agents shall have the right, but not the obligation, after reasonable advance notice affording Tenant a reasonable opportunity to cure or correct the condition, wit out limitation upon any of Landlord's other rights and remedies under this Lease, to immediately enter upon the Premises and to discharge Tenant's obligations under this Section 5.3, including without limitation the taking of emergency or long-term remedial action. All amounts paid by Landlord and all costs and expenses incurred by Landlord in connection with Landlord's cure rights set forth in the preceding sentence, together with a fifteen percent (15%) management fee and interest at the rate of ten percent (10%) from the date of Landlord's paying the amount or incurring each cost or expense until the date offull repayment by Tenant, will be payable by Tenant to Landlord as additional rent on demand. Landlord and its agents shall endeavor to minimize interference with Tenant's business in connection therewith, but shall not be liable for any such interference. In addition, Landlord, at Tenant's expense, shall have the right, but not the obligation, to join and participate in any legal proceedings or actions initiated in connection with any claims arising out of the storage, generation, use, release and/or disposal by Tenant or its agents, employees, contractors, licensees or invitees of Hazardous Materials on, under, from or about the Premises.

(d) If the presence of any Hazardous Materials on, under, from or about the Premises or caused or permitted by Tenant or its agents, employees, contractors, licensees or invitees results in (i) injury to any person, (ii) injury to or any contamination of the Premises, or (iii) injury to or contamination of any real or personal property wherever situated, Tenant, at its expense (using contractors and/or consultants selected by Tenant but reasonably acceptable to Landlord), shall promptly take all actions necessary to return the Premises and the Project and any other affected real or personal property owned by Landlord or otherwise to the "Required Condition" (as hereinafter defined), and to remedy or repair any such injury or contamination, including without limitation, any cleanup, remediation, removal, disposal, neutralization or other treatment of any such Hazardous Materials (subject to the conditions set forth in this Section 5.3(d)). Notwithstanding the foregoing, Tenant shall not, without Landlord's prior written consent, which consent shall not be unreasonably withheld, take any remedial action in response to the presence of any Hazardous Materials on, under, from or about the Premises or any other affected real or personal property owned by Landlord or enter into any similar agreement, consent, decree or other compromise with any governmental agency with respect to any Hazardous Materials claims; provided however, Landlord's prior written consent shall not be necessary in the event that the presence of Hazardous Materials on, under, from or about the Premises or any other affected real

or personal property owned by Landlord (i) imposes an immediate threat to the health, safety or welfare of any individual and (ii) is of such a nature that an immediate remedial response is necessary and it is not possible to obtain Landlord's consent before taking such action. As used herein, **"Required Condition"** shall mean returning the Premises and any other directly affected real or personal property owned by Landlord to a condition that is both (A) required by applicable federal, state or local law, regulation or order, including without limitation, performing any required cleanup, remediation, removal, disposal, neutralization or other treatment of Hazardous Materials, and (B) consistent with Landlord's operation, use and leasing of the Premises (and any other directly affected real or personal property owned by Landlord) for those uses described in Item 3 of the Basic Lease Provisions. To the fullest extent permitted by law, Tenant shall indemnify, hold harmless, protect and defend (with attorneys reasonably acceptable to Landlord) Landlord and any successors to all or any portion of Landlord's interest in the Premises and any other real or personal property owned by Landlord from and against any and all liabilities, losses, damages, diminution in value, judgments, fines, demands, claims, recoveries, deficiencies, costs and expenses (including without limitation attorneys' fees, court costs and other professional expenses), whether foreseeable or unforeseeable, arising directly or indirectly out of the use, generation, storage, treatment, release, on- or off-site disposal or transportation of Hazardous Materials on, into, from, under or about the Premises and any other real or personal property owned by Landlord or any other party caused or permitted by Tenant, its agents, employees, contractors, subtenants, licensees or invitees. Such indemnity obligation shall specifically include, without limitation, the cost of any required or necessary repair, restoration, cleanup or detoxification of the Premises, and any other real or personal property owned by Landlord, the preparation of any closure or other required plans, whether such action is required or necessary during the Term or after the expiration of this Lease and any loss of.rental due to the inability to lease the Premises as a result of such Hazardous Materials the remediation thereof or any repair, restoration or cleanup related thereto. If it is at any time discovered that Tenant or its agents, employees, contractors, subtenants, licensees or invitees may have caused or permitted the release of any Hazardous Materials on, under, from or about the Premises, or any other real or personal property owned by Landlord, Tenant shall, at Landlord's request, immediately prepare and submit to Landlord a comprehensive plan, subject to Landlord's approval (which shall not be unreasonably withheld), specifying the actions to be taken by Tenant to return the Premises, or any other real or personal property owned by Landlord to the Required Condition. Upon Landlord's approval of such plan, Tenant shall, at its expense, and without limitation of any rights and remedies of Landlord under this Lease or at law or in equity, immediately implement such plan and proceed to cleanup, remediate and/or remove all such Hazardous Materials in accordance with all applicable laws and as required by such plan and this Lease. The provisions of this Section 5.3/d) shall expressly survive the expiration or sooner termination of this Lease, but Landlord agrees to allow Tenant reasonable entry rights to the Premises, and to otherwise cooperate with Tenant but at no cost or expense to Landlord, to the extent that clean up or remediation work is required after the expiration of or termination of this Lease.

(e) Inasmuch as Tenant was the prior occupant of the Premises, it is understood and agreed that Tenant shall be responsible for the cleanup or remediation of any Hazardous Materials which exist in, on, under or about the Premises on the Commencement Date, but Tenant shall not be liable to Landlord, or otherwise responsible under this Lease for the cleanup or remediation of any Hazardous Materials which are caused to exist in, on, under or about the Premises by Landlord or anyone acting on behalf of Landlord.

SECTION 5.4. USE OF ROOF. Tenant shall have the right to access the roof of the Premises for the limited purposes of performing its maintenance obligations hereunder, including performing the Building Systems repairs and replacements, and installing and maintaining

reasonable communications equipment as is reasonably required by Tenant for use by Tenant in connection with its normal and customary business operations at the Premises, subject to reasonable standards and procedures imposed by Landlord to prevent damage to the roof and to preserve any roof warranty and the terms and conditions of Section 7.3 of this Lease. Landlord shall have the right to access the roof of the Premises for the limited purposes of inspecting the same and performing its obligations and exercising its rights under this Lease.

SECTION 5.5. EASEMENT FOR ACCESS. During the Term of this Lease, Landlord hereby establishes, grants and reserves a non-exclusive easement for vehicular and pedestrian ingress and egress over the drive aisles, curb cuts and walkways, as they may exist from time to time on the Grow Premises for the benefit of the Premises, and as they may exist from time to time on Premises for the benefit of the Grow Premises.

SECTION 5.6. EASEMENT FOR PARKING During the Term of this Lease, Landlord hereby establishes, grants and reserves a non-exclusive easement for parking over the parking areas on the Grow Premises, as they may exist from time to time, for the benefit of the Premises. Landlord also hereby establishes, grants and reserves a non-exclusive easement for parking over the parking areas on the Premises, as they may exist from time to time, for the benefit of the Grow Premises.

ARTICLE VI. UTILITIES AND SERVICES

SECTION 6.1. UTILITIES AND SERVICES. Tenant shall be responsible for and shall pay promptly, directly to the appropriate supplier, all charges for water, gas, electricity, sewer, heat, light, power, telephone, telecommunications service, refuse pickup, janitorial service, landscape maintenance and all other utilities, materials and services furnished directly to Tenant or the Premises or used by Tenant in, on or about the Premises during the Term, together with any taxes thereon. If any utilities or services are not separately assessed to Tenant, Tenant shall pay such amount to Landlord, as an item of additional rent, within ten (10) days after delivery of Landlord's statement or invoice therefor.

ARTICLE VII. MAINTENANCE AND REPAIRS

SECTION 7.1. TENANT OBLIGATIONS. Except as provided in Article XI (Damage or Destruction) and Article XII (Eminent Domain), Tenant, at its sole expense, shall maintain, repair and replace (to the extent required hereunder) the entire Premises, including but not limited to, the foundations, footings, load bearing walls and other structural elements of the Premises, the roof of the Premises, the paved areas of the Premises, landscaping and the heating, air conditioning, ventilating systems, mechanical, electrical, plumbing or life safety systems of the Building (collectively, the **"Building Systems"},** so as to keep same in substantially the condition that existed on the Commencement Date, ordinary wear and tear excepted. As used in this Section 7.1, the obligation to repair and maintain includes the obligation to replace any item which is determined to have outlived its useful life and is no longer capable of being repaired to its normal functionality, or the cost to repair exceeds fifty percent (50%) of the cost of replacing such item. If Tenant fails to perform Tenant's obligations under this Section 7.1, Landlord may enter upon the Premises after ten (10) days' prior written notice to Tenant (except in the event of an emergency, in which case no notice shall be required}, perform such obligations on Tenant's behalf, and put the Premises in good order, condition and repair, and Tenant shall promptly pay to Landlord a sum equal to 115% of the cost thereof in addition to interest at the rate of ten percent (10%) from the date the work is commenced until the date of full repayment by Tenant, as additional rent on demand. Notwithstanding anything contained herein, Tenant shall also be

solely responsible for the cost of painting of the exterior of the Building. It is agreed that Tenant shall be obligated hereunder to pay for at least one (1) complete painting of the exterior of the Building during the initial Term, and at last one (1) additional complete painting of the exterior of the Building during any extension of the Term under Section 3.2.

(a) Except as provided in Section 12.1 below, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements to any portion of the Premises, nor shall any related activity by Landlord constitute an actual or constructive eviction; provided, however, that in making repairs, alterations or improvements, Landlord shall interfere as little as reasonably practicable with the conduct of Tenant's business in the Premises.

SECTION 7.2. SERVICES COMPANY. Tenant shall be obligated to hire PHC Service Co., LLC, a California limited liability company (the **"Services Company"),** to carry out all of Tenant's maintenance and repair obligations described in Section 7.1 above and perform any Alterations in accordance with Section 7.3 below and administrative services.

SECTION 7.3. ALTERATIONS. Tenant shall make no alterations, additions or improvements (collectively and individually, **"Alterations")** to the Premises (including the roof of the Building) without the prior written consent of Landlord. In all cases, Tenant shall provide Landlord with written notice prior to performing any Alteration. Landlord's consent may be granted or withheld by Landlord in its reasonable discretion. Landlord shall respond to Tenant's request to make Alterations within thirty (30) days after receipt of such request, as long as the request includes reasonably detailed plans and specifications (as described below) and Landlord's failure to object to any proposed Alterations within such time period shall be deemed approval of such Alterations. Tenant shall obtain all required permits for the Alterations and shall perform the Alterations in compliance with all Applicable Law. Any request for Landlord's consent shall be made in writing and shall contain architectural plans describing the work in detail reasonably satisfactory to Landlord. All Alterations affixed to the Premises (excluding trade fixtures) shall become the property of Landlord and shall be surrendered with the Premises at the end of the Term, unless Landlord notifies Tenant that such Alterations must be removed by written notice delivered to Tenant at the time that Landlord approves of such Alterations or, in the event Landlord's approval of such Alterations is not required hereunder, within thirty (30) days following the date on which Tenant provides Landlord with written notice of such Alterations. Landlord shall oversee all Alterations performed pursuant to this Section 7.3 by either Tenant or the Services Company, and Tenant shall pay Landlord as compensation for its efforts a non-refundable management fee in the amount of fifteen percent (15%) of the cost and expense incurred by Tenant and/or Services Company in connection with such Alterations no later than ten (10) days after written demand thereof.

SECTION 7.4. MECHANIC'S LIENS. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by or for Tenant. Upon request by Landlord, Tenant shall promptly cause any such lien to be released by payment or posting a bond in accordance with California Civil Code Section 3143 or any successor statute. In the event that Tenant has not, within thirty (30) days following the imposition of any lien, caused the lien to be released of record by payment or posting of a proper bond, regardless of whether Landlord has requested that Tenant release same, Landlord shall have, in addition to all other available remedies, the right to cause the lien to be released by any reasonable means it deems proper, including payment of or defense against the claim giving rise to the lien. All reasonable expenses so incurred by Landlord, including Landlord's reasonable attorneys' fees, shall be reimbursed by Tenant within thirty (30) days following Landlord's demand. Tenant shall give Landlord no less than twenty (20) days' prior notice in writing before commencing construction of any kind on the Premises so that Landlord may post and maintain notices of nonresponsibility on the Premises.

SECTION 7.5. ENTRY AND INSPECTION. Landlord shall at all reasonable times, and upon prior written notice (except in emergencies, in which event no such notice shall be required), have the right to enter the Premises to inspect same, to perform Landlord's maintenance and repair obligations in accordance with this Lease, and to submit the Premises to prospective or actual purchasers or encumbrance holders (or, during the last one hundred and eighty (180) days of the Term, to prospective tenants), all without being deemed to have caused an eviction of Tenant and without abatement of rent except Tenant shall have the right to accompany Landlord during any such entry (provided that the unavailability or lack of cooperation of a representative of Tenant shall not limit Landlord's rights to exercise its rights or perform its obligations under this Section 7.5). Notwithstanding the foregoing, Landlord shall endeavor to coordinate any entry onto the Premises with Tenant so that it does not unreasonably interfere with Tenant's business.

ARTICLE VIII. TAXES AND ASSESSMENTS ON TENANT'S PROPERTY

Tenant shall be liable for and shall pay before delinquency, all taxes and assessments levied against all personal property (including trade fixtures) of Tenant located on the Premises. When possible, Tenant shall cause its personal property to be assessed and billed separately from the real property of which the Premises form a part. If any taxes on Tenant's personal property are levied against Landlord or Landlord's property and if Landlord pays the same, or if the assessed value of Landlord's property is increased by the inclusion of a value placed upon the personal property of Tenant and if Landlord pays the taxes based upon the increased assessment, Tenant shall pay to Landlord within ten (10) days after written demand therefor the taxes so levied against Landlord or the proportion of the taxes resulting from the increase in the assessment

ARTICLE IX. ASSIGNMENT AND SUBLETTING

SECTION 9.1. RIGHTS OF PARTIES.

(a) Notwithstanding any provision of this Lease to the contrary, but except as provided in subsection (e) below, Tenant will not, either voluntarily or by operation of law, assign, sublet, encumber, or otherwise transfer (any or all of which are sometimes referenced to herein as a **"Transfer")** all or any part of Tenant's interest in this Lease, or permit the Premises to be occupied by anyone other than Tenant, without Landlord's prior written consent, which Landlord may withhold in its sole discretion. No assignment (whether voluntary, involuntary or by operation of law) and no subletting shall be valid or effective without Landlord's prior written consent and, at Landlord's election, shall constitute a material default of this Lease. To the extent not prohibited by provisions of the Bankruptcy Code, 11 U.S.C. Section 101 et seq. (the **"Bankruptcy Code"),** including Section 365(1) (1), Tenant on behalf of itself and its creditors, administrators and assigns waives the applicability of Section 365(e) of the Bankruptcy Code unless the proposed assignee of the Trustee for the estate of the bankrupt meets Landlord's standard for consent as set forth in Section 9.1(cl of this Lease. If this Lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, any and all monies or other consideration to be delivered in connection with the assignment shall be delivered to Landlord, shall be and remain the exclusive property of Landlord and shall not constitute property of Tenant or of the estate of Tenant within the meaning of the Bankruptcy Code. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed to have assumed all of the obligations arising under this Lease on and after the date of the assignment, and shall upon demand execute and deliver to Landlord an instrument confirming that assumption.

(b) If Tenant is a corporation, or is an unincorporated association, partnership or limited liability company (other than a publicly traded corporation or other entity), the transfer of any stock or ownership interest in the corporation, association, partnership or limited liability company which results in a change in the voting control of Tenant, if any, shall be deemed a Transfer within the meaning and provisions of this Article **IX.**

(c) Notwithstanding the provisions of subsection (c) above, in lieu of consenting to a proposed assignment of this Lease or to a subletting of all or substantially all of the Premises for all or substantially the remainder of the Term (other than an assignment or subletting to a "Tenant Affiliate" pursuant to subsection (e) below), Landlord may elect to (i) sublease the Premises (or the portion proposed to be so subleased), or take an assignment of Tenant's interest in this Lease, upon the same terms as offered to the proposed subtenant or assignee, or (ii) terminate this Lease as to the portion of the Premises proposed to be subleased or assigned with a proportionate abatement in the rent payable under this Lease, effective on the date that the proposed sublease or assignment would have become effective. Landlord may thereafter, at its option, assign or relet any space so recaptured to any third party, including without limitation the proposed transferee of Tenant. Should Landlord elect to exercise its rights under this subsection (d). then Tenant shall have the right, by written notice to Landlord given within five (5) business days following such election by Landlord, to rescind its request to effect an assignment or subletting, in which event Tenant's proposed assignment or subletting shall not be consummated and Landlord's recapture election shall be null and void.

(d) Provided (i) Tenant is not in material default hereunder, and (ii) no such transaction is undertaken with the intent of circumventing the Transfer restrictions under this Section 9.1, Tenant may, without Landlord's consent but with prior written notice to Landlord, assign this Lease or sublease all or any portion of the Premises to (a) any entity resulting from a merger or consolidation with Tenant, (b) any entity succeeding to the business and assets of Tenant (including a sale of stock or other ownership interests of Tenant to such successor entity), or (c) any entity controlling, controlled by, or under common control with, Tenant, or the principal owners (shareholders, partners, members, etc.) of Tenant (collectively, a **"Tenant Affiliate")** effecting such Transfer.

(e) In the event of any assignment or subletting of the Premises, one hundred percent (100%) of any excess rent received by the Tenant from the assignment or subletting, whether during or after the Term, shall be paid to Landlord when received.

SECTION 9.2. EFFECT OF TRANSFER. No Transfer, even with the consent of Landlord, shall relieve Tenant, or any successor-in-interest to Tenant hereunder, of its obligation to pay rent and to perform all its other obligations under this Lease. Moreover, Tenant shall indemnify and hold Landlord harmless, as provided in Section 10.3, for any act or omission by an assignee or subtenant. Each assignee shall be deemed to assume all obligations of Tenant under this Lease and shall be liable jointly and severally with Tenant for the payment of all rent, and for the due performance of all of Tenant's obligations, under this Lease. Such joint and several liability shall not be discharged or impaired by any subsequent modification or extension of this Lease. No Transfer shall be binding on Landlord unless any document memorializing the Transfer is delivered to Landlord and, except with respect to a Transfer to a Tenant Affiliate, both the assignee/subtenant and Tenant deliver to Landlord an executed consent to Transfer instrument prepared by Landlord and consistent with the requirements of this Article IX. The acceptance by

Landlord of any payment due under this Lease from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any Transfer. Consent by Landlord to one or more Transfers shall not operate as a waiver or estoppel to the future enforcement by Landlord of its rights under this Lease.

SECTION 9.3. SUBLEASE REQUIREMENTS. The following terms and conditions shall apply to any subletting by Tenant of all or any part of the Premises:

(a) Tenant hereby irrevocably assigns to Landlord all of Tenant's interest in all rentals and income arising from any sublease of the Premises, and Landlord may collect such rent and income and apply same toward Tenant's obligations under this Lease; provided, however, that until a default occurs in the performance of Tenant's obligations under this Lease, Tenant shall have the right to receive and collect the sublease rentals. Landlord shall not, by reason of this assignment or the collection of sublease rentals, be deemed liable to the subtenant for the performance of any of Tenant's obligations under the sublease. Tenant hereby irrevocably authorizes and directs any subtenant, upon receipt of a written notice from Landlord stating that an uncured default exists in the performance of Tenant's obligations under this Lease, to pay to Landlord all sums then and thereafter due under the sublease. Tenant agrees that the subtenant may rely on that notice without any duty of further inquiry and notwithstanding any notice or claim by Tenant to the contrary. Tenant shall have no right or claim against the subtenant or Landlord for any rentals so paid to Landlord. In the event Landlord collects amounts from subtenants that exceed the total amount then due from Tenant hereunder, Landlord shall promptly remit the excess to Tenant.

(b) In the event of the termination of this Lease, Landlord may, at its sole option, take over Tenant's entire interest in any sublease and, upon notice from Landlord, the subtenant shall attorn to Landlord. In no event, however, shall Landlord be liable for any previous act or omission by Tenant under the sublease or for the return of any advance rental payments or deposits under the sublease that have not been actually delivered to Landlord, nor shall Landlord be bound by any sublease modification executed without Landlord's consent or for any advance rental payment by the subtenant in excess of one month's rent. The general provisions of this Lease, including without limitation those pertaining to insurance and indemnification, shall be deemed incorporated by reference into the sublease despite the termination of this Lease.

ARTICLE X. INSURANCE AND INDEMNITY

SECTION 10.1. TENANT'S INSURANCE. Tenant, at its sole cost and expense, shall provide and maintain in effect during the Term the insurance described in Exhibit "D". Evidence of such insurance must be delivered to Landlord prior to the Commencement Date, and upon each renewal date of the applicable policies.

SECTION 10.2. INDEMNITY.

(a) To the fullest extent permitted by law, Tenant shall defend, indemnify and hold harmless Landlord, its agents, lenders, and any and all affiliates of Landlord, from and against any and all claims, liabilities, costs or expenses arising on or after the Commencement Date from Tenant's use or occupancy of the Premises, or from the conduct of its business, or from any activity, work, or thing done, permitted or suffered by Tenant or its agents, employees, subtenants, invitees or licensees in or about the Premises, or from any default in the performance of any obligation on Tenant's part to be performed under this Lease, or from any negligence or willful misconduct of Tenant or its agents, employees, invitees or licensees. Landlord may, at its option, require Tenant to assume Landlord's defense in any action covered by this Section 10.2.

(b) To the fullest extent permitted by law, but subject to Section 10.3, Landlord shall indemnify and hold harmless Tenant from and against any and all claims, liabilities, costs or expenses arising on or after the Commencement Date from the gross negligence or willful misconduct of Landlord or anyone acting on behalf of or under the direction of Landlord.

(c) Unless otherwise expressly provided in this Lease, neither Landlord nor Tenant will be liable for punitive damages, consequential damages or special damages (it being expressly acknowledged and agreed that any damages incurred by a party hereto arising out of third party claims for which indemnification is required pursuant to this Lease shall be deemed actual damages of the party which incurs them and not subject to the foregoing exclusion). Tenant shall be fully liable for any and all consequential damages relating to or arising out of any failure of Tenant to vacate and surrender the Premises on or prior to the expiration of the Term in accordance with the terms and provisions of this Lease (collectively, **"Holdover Consequential Damages");** provided, however, Tenant's liability for Holdover Consequential Damages shall not exceed an amount equal to the monthly Basic Rent payable during the period immediately preceding the Expiration Date multiplied by thirty (30).

(d} The terms of this Section 10.2 shall survive the expiration or earlier termination of this Lease.

SECTION 10.3. LANDLORD'S NONLIABILITY. Except only to the extent arising from the gross negligence (which includes, without limitation, the grossly negligent failure to comply with Applicable Laws) or willful misconduct of Landlord or its employees or agents, Landlord shall not be liable to Tenant, its employees, agents and invitees, and Tenant hereby waives all claims against Landlord, its employees and agents for loss of or damage to any property, or any injury to any person, resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak or flow from or into any part of the Premises or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning, electrical works or other fixtures in the Premises, whether the damage or injury results from conditions arising in the Premises, it being agreed that Tenant shall be responsible for obtaining appropriate insurance to protect its interests.

ARTICLE XI. DAMAGE OR DESTRUCTION

SECTION 11.1. RESTORATION.

(a) If the Building is damaged as the result of an event of casualty, Tenant shall repair such damage at Tenant's sole cost and expense and without seeking reimbursement from Landlord.

(b) A casualty event shall not entitle the Tenant to any abatement of Basic Rent, Percentage Rent or any additional rent to be paid under this Lease.

SECTION 11.2. LEASE GOVERNS. Tenant agrees that the provisions of this Lease, including without limitation Section 11.1, shall govern any damage or destruction and shall accordingly supersede any contrary statute or rule of law.

ARTICLE XII. EMINENT DOMAIN

SECTION 12.1. TOTAL OR PARTIAL TAKING. If all or a material portion of the Premises is taken by any lawful authority by exercise of the right of eminent domain, or sold to prevent a taking, or if a taking or sale in lieu thereof occurs which substantially interferes with Tenant's use and occupancy of the Premises, either Tenant or Landlord may terminate this Lease by notice to the other party prior to the date possession is required to be surrendered to the authority and effective as of the date of such surrender of possession. In the event title to a portion of the Premises is taken or sold in lieu of taking, and if Landlord elects to restore the Premises in such a way as to alter the Premises in a manner which materially interferes with Tenant's use and occupancy of the Premises, Tenant may terminate this Lease, by written notice to Landlord, effective on the date of vesting of title. In the event neither party has elected to terminate this Lease as provided above, then Landlord shall promptly proceed to restore the Premises to substantially its condition prior to the taking (at Landlord's sole cost and expense), but excluding any Alterations made by Tenant, and a proportionate abatement of rent shall be made to Tenant for the rent corresponding to the time during which, and to the part of the Premises of which, Tenant is deprived on account of the taking and restoration. In the event of a taking, Landlord shall be entitled to the entire amount of the condemnation award without deduction for any estate or interest of Tenant; provided that nothing in this Section 12.1 shall be deemed to give Landlord any interest in, or prevent Tenant from seeking any award against the taking authority for, the taking of personal property and trade fixtures belonging to Tenant or for relocation or business interruption expenses recoverable from the taking authority, or for any other claim for which Tenant is entitled to compensation by the taking authority under Applicable Law.

SECTION 12.2. TEMPORARY TAKING. No temporary taking of the Premises shall terminate this Lease, but any award specifically attributable to a temporary taking of the Premises shall belong entirely to Tenant. A temporary taking shall be deemed to be a taking of the use or occupancy of the Premises for a period of not to exceed ninety (90) days.

ARTICLE XIII. SUBORDINATION; ESTOPPEL CERTIFICATE

SECTION 13.1. SUBORDINATION. At the option of Landlord or any of its mortgagees/deed of trust beneficiaries, this Lease shall be either superior or subordinate to all ground or underlying leases, mortgages and deeds of trust, if any, which may hereafter affect the Premises, and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, that so long as Tenant is not in default under this Lease, this Lease shall not be terminated or Tenant's quiet enjoyment of the Premises disturbed in the event of termination of any such ground or underlying lease, or the foreclosure of any such mortgage or deed of trust, to which Tenant has subordinated this Lease pursuant to this Section 13.1. In the event of a termination or foreclosure, Tenant shall become a tenant of and attorn to the successor-in-interest to Landlord upon the same terms and conditions as are contained in this Lease, and shall promptly execute any reasonable instrument required by Landlord's successor for that purpose. Tenant shall also, within ten (10) business days following written request of Landlord (or the beneficiary under any deed of trust encumbering the Premises), execute and deliver all reasonable instruments as may be required from time to time by Landlord or such beneficiary (including without limitation any commercially reasonable subordination, nondisturbance and attornment agreement) to subordinate this Lease and the rights of Tenant under this Lease to any ground or underlying lease or to the lien of any mortgage or deed of trust; provided, however, that any such beneficiary may, by written notice to Tenant given at any time, subordinate the lien of its deed of trust to this Lease. Notwithstanding this Section 13.1, Tenant shall only be obligated to subordinate its leasehold interest to any mortgage, deed of trust, or underlying lease now or

hereafter placed upon the Premises if the instrument evidencing such subordination does not require Tenant to increase its leasehold obligations and if the holder of such mortgage or deed of trust or the landlord under such underlying lease will grant to Tenant a commercially reasonable non-disturbance agreement, which will provide that Tenant, notwithstanding any default of Landlord hereunder, shall have the right to remain in possession of the Premises in accordance with the terms and provisions of this Lease for so long as Tenant shall not be in default under this Lease. Tenant acknowledges that Landlord's mortgagees and successors-in-interest and all beneficiaries under deeds of trust encumbering the Premises are intended third party beneficiaries of this Section 13.1.

SECTION 13.2. ESTOPPEL CERTIFICATE. Tenant shall, at any time upon not less than ten (10) business days prior written notice from Landlord, execute, acknowledge and deliver to Landlord, in any form that Landlord may reasonably require, a statement in writing in favor of Landlord and/or any prospective purchaser or encumbrancer of the Premises (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of the modification and certifying that this Lease, as modified, is in full force and effect) and the dates to which the rental, additional rent and other charges have been paid in advance, if any, and (ii) acknowledging that, to Tenant's actual best knowledge, there are no material uncured defaults on the part of Landlord, or specifying each default if any are claimed, and (iii) acknowledging, to Tenant's best knowledge, such further factual information that Landlord may reasonably request, provided Tenant is not thereby required to increase its obligations under this Lease. Tenant's statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the Premises.

SECTION 13.3. MEMORANDUM OF LEASE. It is agreed that if there is any purchase money financing, a memorandum of lease shall be executed by Landlord and Tenant concurrently with the execution of this Lease, which shall be recorded in the offices of the Recorder of Los Angeles County, California prior to the recordation of any mortgage or deed of trust which secures any purchase money financing obtained in connection with Landlord's acquisition of the Premises, such that this Lease will be senior to such mortgage or deed of trust (subject to the obligation of Tenant to execute a subordination agreement pursuant to Section 13.1 above). Alternatively, this Lease may be subordinate to such purchase money financing, if Tenant receives a commercially reasonable non-disturbance agreement from the mortgagee/beneficiary at or prior to the recordation of such mortgage or deed of trust, in which event a memorandum of lease shall not be recorded.

SECTION 13.4. FINANCIAL STATEMENTS. Within ten (10) business days following the request of Landlord, at any time during the Term that Tenant is not a "publicly traded company" (i.e., ownership interests are listed on a public securities exchange), but not more than one time during each Lease Year (other than in connection with a sale or refinancing of the Premises), then Tenant shall furnish to Landlord copies of Tenant's financial statements, showing the complete results of Tenant's operations for its immediately preceding fiscal year, certified as true and correct by the officer of Tenant with primary responsibility as to financial matters and prepared in accordance with generally accepted accounting principles applied on a consistent basis.

ARTICLE XIV. DEFAULTS AND REMEDIES

SECTION 14.1. TENANT'S DEFAULTS. In addition to any other event of default set forth in this Lease, the occurrence of any one or more of the following events shall constitute a default by Tenant:

(a) The failure by Tenant to make any payment of Basic Rent or additional rent required to be made by Tenant, as and when due, or the failure of Tenant to perform any of its obligations under Article XIII within the time periods specified therein, where the failure continues for a period of five (5) business days after written notice from Landlord to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 and 1161(a) as amended.

(b) Assignment, sublease, encumbrance or other transfer of the Lease by Tenant, either voluntarily or by operation of law, whether by judgment, execution, transfer by intestacy or testacy, or other means, without the prior written consent of Landlord.

(c) The failure or inability by Tenant to observe or perform any of the covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified in any other subsection of this Section 14.1, where the failure continues for a period of ten (10) days after written notice from Landlord to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 and 1161(a) as amended.

(d) (i) The making by Tenant of any general assignment for the benefit of creditors; (ii) the filing by or against Tenant of a petition to have Tenant adjudged a Chapter 7 debtor under the Bankruptcy Code or to have debts discharged or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, if possession is not restored to Tenant within sixty (60) days; (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where the seizure is not discharged within sixty (60) days; or (v) Tenant's convening of a meeting of its creditors for the purpose of effecting a moratorium upon or composition of its debts. Landlord shall not be deemed to have knowledge of any event described in this subsection (d) unless notification in writing is received by Landlord, nor shall there be any presumption attributable to Landlord of Tenant's insolvency. In the event that any provision of this subsection (d) is contrary to applicable law, the provision shall be of no force or effect.

SECTION 14.2. LANDLORD'S REMEDIES.

(a) In the event of any default by Tenant, then in addition to any other remedies available to Landlord at law or equity, Landlord may exercise the following remedies:

(i) Landlord may terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. Such termination shall not affect any accrued obligations of Tenant under this Lease. Upon termination, Landlord shall have the right to reenter the Premises and remove all persons and property. Landlord shall also be entitled to recover from Tenant:

(1) The unpaid Basic Rent and additional rent which had been earned at the time of termination together with interest at the rate of five percent (5%) per annum;

(2) The unpaid Basic Rent and additional rent for the balance of the Term together with interest at the rate of five percent (5%) per annum;

(3) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result from Tenant's default, including, but not limited to, the cost of recovering possession of the Premises, commissions and other expenses of reletting, including necessary and reasonable repair, renovation, improvement and alteration of the Premises for a new tenant, the unamortized portion of any tenant improvements and brokerage commissions funded by Landlord in connection with this Lease, reasonable attorneys' fees, and any other reasonable costs, with the foregoing amounts to be discounted at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent **(1**%); and

(4) At Landlord's election, all other amounts in addition to or in lieu of the foregoing as may be permitted by law. For purposes of this Section 14.2, any sum, other than Basic Rent, shall be computed on the basis of the average monthly amount accruing during the twenty-four (24) month period immediately prior to default, except that **if** it becomes necessary to compute such rental before the twenty-four (24) month period has occurred, then the computation shall be on the basis of the average monthly amount during the shorter period.

(ii) Landlord may elect not to terminate Tenant's right to possession of the Premises, in which event Landlord may continue to enforce all of its rights and remedies under this Lease, including the right to collect all rent as it becomes due. Efforts by the Landlord to maintain, preserve or relet the Premises, or the appointment of a receiver to protect the Landlord's interests under this Lease, shall not constitute a termination of the Tenant's right to possession of the Premises. In the event that Landlord elects to avail itself of the remedy provided by this subsection {iil. Landlord shall not unreasonably withhold its consent to an assignment or subletting of the Premises.

(b) The various rights and remedies reserved to Landlord in this Lease or otherwise shall be cumulative and, except as otherwise provided by California law, Landlord may pursue any or all of its rights and remedies at the same time. No delay or omission of Landlord to exercise any right or remedy shall be construed as a waiver of the right or remedy or of any default by Tenant. The acceptance by Landlord of rent shall not be a **(i)** waiver of any preceding breach or default by Tenant of any provision of this Lease, other than the failure of Tenant to pay the particular rent accepted, regardless of Landlord's knowledge of the preceding breach or default at the time of acceptance of rent, or (ii) a waiver of Landlord's right to exercise any remedy available to Landlord by virtue of the breach or default. The acceptance of any payment from a debtor in possession, a trustee, a receiver or any other person acting on behalf of Tenant or Tenant's estate shall not waive or cure a default under Section 14.1. No payment by Tenant or receipt by Landlord of a lesser amount than the rent required by this Lease shall be deemed to be other than a partial payment on account of the earliest due stipulated rent, nor shall any endorsement or statement on any check or letter be deemed an accord and satisfaction and Landlord shall accept the check or payment without prejudice to Landlord's right to recover the balance of the rent or pursue any other remedy available to it. Tenant hereby waives any right of redemption or relief from forfeiture under California Code of Civil Procedure Section 1174 or 1179, or under any other present or future law, in the event this Lease is terminated by reason of any default by Tenant. No act or thing done by Landlord or Landlord's agents during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender shall be valid unless in writing and signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys to the Premises prior to the termination of this Lease, and the delivery of the keys to any employee shall not operate as a termination of the Lease or a surrender of the Premises.

SECTION 14.3. LATE PAYMENTS. Any rent due under this Lease that is not paid to Landlord within five (5) days of the date when due shall bear interest at the rate of ten percent (10%) per annum from the date due until fully paid. The payment of the interest and late charge shall not cure any default by Tenant under this Lease. In addition, Tenant acknowledges that the late payment by Tenant to Landlord of rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Those costs may include, but are not limited to, administrative, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any ground lease, mortgage or trust deed covering the Premises. Accordingly, if any rent due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after the date due, then Tenant shall pay to Landlord, in addition to the interest provided above, a late charge in the amount of $1,000.00 for each delinquent payment during each Lease Year. Acceptance of a late charge by Landlord shall not constitute a waiver of Tenant's default with respect to the overdue amount, nor shall it prevent Landlord from exercising any of its other rights and remedies.

SECTION 14.4. RIGHT OF LANDLORD TO PERFORM. All.covenants and agreements to be performed by Tenant under this Lease shall be performed at Tenant's sole cost and expense and without any abatement of rent or right of set-off. If Tenant fails to pay any sum of money, or fails to perform any other act on its part to be performed under this Lease, and the failure continues beyond any applicable notice and cure period, then in addition to any other available remedies, Landlord may, at its election make the payment or perform the other act on Tenant's part. Landlord's election to make the payment or perform the act on Tenant's part shall not give rise to any responsibility of Landlord to continue making the same or similar payments or performing the same or similar acts. Tenant shall, within thirty (30) days following demand by Landlord, reimburse Landlord for all sums paid by Landlord.

SECTION 14.5. DEFAULT BY LANDLORD. Except as otherwise specifically provided in this Lease, Landlord shall not be deemed to be in default in the performance of any obligation under this Lease unless and until it has failed to perform the obligation within thirty (30) days after written notice by Tenant to Landlord specifying in reasonable detail the nature and extent of the failure; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it commences performance within the thirty (30) day period and thereafter diligently pursues the cure to completion. In the event of a default by Landlord beyond any applicable notice and cure period, Tenant shall have all rights and remedies at law and in equity.

SECTION 14.6. EXPENSES AND LEGAL FEES. Should either Landlord or Tenant bring any action in connection with this Lease, the prevailing party shall be entitled to recover as a part of the action its reasonable attorneys' fees, and all other costs. The prevailing party for the purpose of this Section shall be determined by the trier of the facts.

SECTION 14.7. JUDICIAL REFERENCE.

IT IS THE DESIRE AND INTENTION OF THE PARTIES TO AGREE UPON A MECHANISM AND PROCEDURE UNDER WHICH CONTROVERSIES AND DISPUTES ARISING OUT OF THIS LEASE OR RELATED TO THE PREMISES WILL BE RESOLVED IN A PROMPT AND EXPEDITIOUS MANNER. ACCORDINGLY, EXCEPT WITH RESPECT TO ACTIONS FOR UNLAWFUL OR FORCIBLE DETAINER OR WITH RESPECT TO THE PREJUDGMENT REMEDY OF ATTACHMENT, ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER (AND/OR AGAINST ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR SUBSIDIARY OR

AFFILIATED ENTITIES) ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, TENANT'S USE OR OCCUPANCY OF THE PREMISES AND/OR ANY CLAIM OF INJURY OR DAMAGE, SHALL BE HEARD AND RESOLVED BY A REFEREE UNDER THE PROVISIONS OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, SECTIONS 638-645.1, INCLUSIVE (AS SAME MAY BE AMENDED, OR ANY SUCCESSOR STATUTE(S) THERETO) (THE "REFEREE SECTIONS"). ANY FEE TO INITIATE THE JUDICIAL REFERENCE PROCEEDINGS SHALL BE PAID BY THE PARTY INITIATING SUCH PROCEDURE; PROVIDED HOWEVER, THAT THE COSTS AND FEES, INCLUDING ANY INITIATION FEE, OF SUCH PROCEEDING SHALL ULTIMATELY BE BORNE IN ACCORDANCE WITH SECTION 14.6 ABOVE. THE VENUE OF THE PROCEEDINGS SHALL BE IN THE COUNTY IN WHICH THE PREMISES ARE LOCATED. WITHIN TEN (10) DAYS OF DELIVERY BY ANY PARTY TO THE OTHER PARTY OF A WRITTEN REQUEST TO RESOLVE ANY DISPUTE OR CONTROVERSY PURSUANT TO THIS SECTION 14.7, THE PARTIES SHALL AGREE UPON A SINGLE REFEREE WHO SHALL TRY ALL ISSUES, WHETHER OF FACT OR LAW, AND REPORT A FINDING AND JUDGMENT ON SUCH ISSUES AS REQUIRED BY THE REFEREE SECTIONS. IF THE PARTIES ARE UNABLE TO AGREE UPON A REFEREE WITHIN SUCH TEN (10) DAY PERIOD, THEN ANY PARTY MAY THEREAFTER FILE A LAWSUIT IN THE COUNTY IN WHICH THE PREMISES ARE LOCATED FOR THE PURPOSE OF APPOINTMENT OF A REFEREE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 AND 640, AS SAME MAY BE AMENDED OF ANY SUCCESSOR STATUTE(S) THERETO.. IF THE REFEREE IS APPOINTED BY THE COURT, THE REFEREE SHALL BE A NEUTRAL AND IMPARTIAL RETIRED JUDGE WITH SUBSTANTIAL EXPERIENCE IN THE RELEVANT MATTERS TO BE DETERMINED, FROM JAMS/ENDISPUTE, INC., THE AMERICAN ARBITRATION ASSOCIATION OR SIMILAR MEDIATION/ARBITRATION ENTITY. THE PROPOSED REFEREE MAY BE CHALLENGED BY ANY PARTY FOR ANY OF THE GROUNDS LISTED IN SECTION 641 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, AS SAME MAY BE AMENDED OR ANY SUCCESSOR STATUTE(S) THERETO. PENDING THE APPOINTMENT OF THE REFEREE, THE COURT HAS POWER TO ISSUE PROVISIONAL REMEDIES. THE REFEREE SHALL HAVE THE POWER TO DECIDE ALL ISSUES OF FACT AND LAW AND REPORT HIS OR HER DECISION ON SUCH ISSUES, AND TO ISSUE ALL RECOGNIZED REMEDIES AVAILABLE AT LAW OR IN EQUITY FOR ANY CAUSE OF ACTION THAT IS BEFORE THE REFEREE, INCLUDING PROVISIONAL REMEDIES, EQUITABLE ORDERS, AND INCLUDING AN AWARD OF ATTORNEYS' FEES AND COSTS IN ACCORDANCE WITH CALIFORNIA LAW. THE REFEREE SHALL NOT, HOWEVER, HAVE THE POWER TO AWARD PUNITIVE DAMAGES, NOR ANY OTHER DAMAGES WHICH ARE NOT PERMITTED BY THE EXPRESS PROVISIONS OF THIS LEASE, AND THE PARTIES HEREBY WAIVE ANY RIGHT TO RECOVER ANY SUCH DAMAGES. THE PARTIES SHALL BE ENTITLED TO CONDUCT ALL DISCOVERY AS PROVIDED IN THE CALIFORNIA CODE OF CIVIL PROCEDURE, AND THE REFEREE SHALL OVERSEE DISCOVERY AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE, WITH RIGHTS TO REGULATE DISCOVERY AND TO ISSUE AND ENFORCE SUBPOENAS, PROTECTIVE ORDERS AND OTHER LIMITATIONS ON DISCOVERY AVAILABLE UNDER CALIFORNIA LAW. NOTWITHSTANDING THE FOREGOING, THE REFEREE SHALL HAVE THE POWER TO EXPAND OR LIMIT THE AMOUNT AND DURATION OF DISCOVERY. THE REFERENCE PROCEEDING SHALL BE CONDUCTED IN ACCORDANCE WITH CALIFORNIA LAW (INCLUDING THE RULES OF EVIDENCE), AND IN ALL REGARDS, THE REFEREE SHALL FOLLOW CALIFORNIA LAW APPLICABLE AT THE TIME OF THE REFERENCE PROCEEDING. HOWEVER, EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE REFEREE SHALL DETERMINE THE MANNER IN WHICH THE REFERENCE PROCEEDING IS CONDUCTED, INCLUDING THE TIME AND PLACE OF HEARINGS, THE

ORDER OF PRESENTATION OF EVIDENCE, AND ALL OTHER QUESTIONS THAT ARISE WITH RESPECT TO THE COURSE OF THE REFERENCE PROCEEDING. ALL PROCEEDINGS SHALL BE CONDUCTED WITHOUT A COURT REPORTER, UNLESS EITHER PARTY REQUESTS THAT A COURT REPORTER TRANSCRIBE ALL OR ANY PART OF THE PROCEEDINGS, IN WHICH CASE THE PARTY MAKING THE REQUEST SHALL ARRANGE AND PAY FOR THE COURT REPORTER. IN ACCORDANCE WITH SECTION 644 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, THE DECISION OF THE REFEREE UPON THE WHOLE ISSUE MUST STAND AS THE DECISION OF THE COURT, AND UPON THE FILING OF THE STATEMENT OF DECISION WITH THE CLERK OF THE COURT, OR WITH THE JUDGE IF THERE IS NO CLERK, JUDGMENT MAY BE ENTERED THEREON IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE COURT. THE PARTIES SHALL PROMPTLY AND DILIGENTLY COOPERATE WITH ONE ANOTHER AND THE REFEREE, AND SHALL PERFORM SUCH ACTS AS MAY BE NECESSARY TO OBTAIN A PROMPT AND EXPEDITIOUS RESOLUTION OF THE DISPUTE OR CONTROVERSY IN ACCORDANCE WITH THE TERMS OF THIS SECTION 14.7. TO THE EXTENT THAT NO PENDING LAWSUIT HAS BEEN FILED TO OBTAIN THE APPOINTMENT OF A REFEREE, ANY PARTY, AFTER THE ISSUANCE OF THE DECISION OF THE REFEREE, MAY APPLY TO THE COURT OF THE COUNTY IN WHICH THE PREMISES ARE LOCATED FOR CONFIRMATION BY THE COURT OF THE DECISION OF THE REFEREE IN THE SAME MANNER AS A PETITION FOR CONFIRMATION OF AN ARBITRATION AWARD PURSUANT TO CODE OF CIVIL PROCEDURE SECTION 1285 ET SEQ. (AS SAME MAY BE AMENDED OR ANY SUCCESSOR STATUTE(S) THERETO). THE PARTIES RESERVE THE RIGHT TO APPEAL FROM THE FINAL JUDGMENT OR ORDER, OR FROM ANY OTHER APPEALABLE DECISION OR ORDER ENTERED BY THE REFEREE.

ARTICLE XV. END OF TERM

SECTION 15.1. HOLDING OVER. This Lease shall terminate without further notice upon the expiration of the Term, and any holding over by Tenant after the expiration shall not constitute a renewal or extension of this Lease, or give Tenant any rights under this Lease, except when in writing signed by both parties. If Tenant holds over for any period after the expiration (or earlier termination) of the Term, Landlord may, at its option, treat Tenant as a tenant at sufferance only, commencing on the first (1st) day following the termination of this Lease. Any hold-over by Tenant shall be subject to all of the terms of this Lease, except that the monthly rental shall be two hundred percent (200%) of the Basic Rent for the month immediately preceding the date of termination. Acceptance by Landlord of rent after the termination shall not constitute a consent to a holdover or result in a renewal of this Lease. The foregoing provisions of this Section 15.1 are in addition to and do not affect Landlord's right of re-entry or any other rights of Landlord under this Lease or at law.

SECTION 15.2. MERGER ON TERMINATION. The voluntary or other surrender of this Lease by Tenant, or a mutual termination of this Lease, shall terminate any or all existing subleases unless Landlord, at its option, elects in writing to treat the surrender or termination as an assignment to it of any or all subleases affecting the Premises.

SECTION 15.3. SURRENDER OF PREMISES; REMOVAL OF PROPERTY. Upon the Expiration Date or upon any earlier termination of this Lease, Tenant shall quit and surrender possession of the Premises (including, but not limited to any freezer located on or at the Premises) to Landlord in good order, condition and repair, reasonable wear and tear and repairs which are Landlord's obligation under this Lease excepted, and shall, without expense to Landlord, remove or cause to be removed all trade fixtures, personal property and debris, except

for any items that Landlord may by written authorization allow to remain. Tenant shall also remove those Alterations made by Tenant during the Term which are required to be removed by Tenant pursuant to Section 7.3 of this Lease. Notwithstanding the foregoing, unless Landlord otherwise directs by written notice to Tenant before the Expiration Date, Tenant shall remove all signage, trade fixtures and personal property from the Premises. Tenant shall repair all damage to the Premises resulting from any removal performed pursuant to this Section 15.3, which repair shall include the patching and filling of holes and repair of structural damage, provided that Landlord may instead elect to repair any structural damage at Tenant's expense. If Tenant shall fail to' comply with the provisions of this Section 15.3, Landlord may effect the removal and/or make any repairs, and one hundred fifteen percent (115%) of the cost to Landlord shall be payable by Tenant upon demand and shall incur interest at the rate of ten percent (10%) from the date of such removal or repair until the date of full repayment by Tenant.

ARTICLE XVI. PAYMENTS AND NOTICES

SECTION 16.1. All sums payable by Tenant to Landlord shall be paid, without deduction or offset, in lawful money of the United States to Landlord at its address set forth in Item 10 of the Basic Lease Provisions, or at any other place as Landlord may designate in writing with at least thirty (30) days prior notice. Unless this Lease expressly provides otherwise (as for example in the payment of rent pursuant to Section 4.1 above), all payments shall be due and payable within thirty (30) days after demand. All payments requiring proration shall be prorated on the basis of the number of days in the pertinent calendar month or year, as applicable. Any notice, election, demand, consent, approval or other communication to be given or other document to be delivered by either party to the other may be delivered to the other party, at the address set forth in Item 10 of the Basic Lease Provisions, by personal service, or by any courier or "overnight" express mailing service, or may be deposited in the United States mail, certified mail, postage prepaid. Either party may, by thirty (30) days written notice to the other, served in the manner provided in this Article, designate a different address. Service of notices shall be deemed effective upon delivery, except that if any notice or other document is sent by mail, it shall be deemed served or delivered upon actual receipt or upon attempted delivery during normal business hours.

SECTION 16.2. TENANT REQUEST FEE. All amounts paid by Landlord and all costs and expenses incurred by Landlord in connection with each request by Tenant for Landlord's consent or approval pursuant to any of the terms of this Lease, together with a fee in the amount of $1,000.00 to compensate the Landlord for such review, will be payable by Tenant to Landlord as additional rent on demand.

ARTICLE XVII. NO BROKERS

Each party warrants that it has had no dealings with any real estate broker or agent who is entitled to a commission in connection with the negotiation or execution of this Lease, and agrees to indemnify and hold the other party harmless from any cost, expense or liability (including reasonable attorneys' fees) for any compensation, commissions or charges claimed by any other real estate broker or agent employed or claiming to represent or to have been employed by the indemnifying party in connection with the negotiation and execution of this Lease. The foregoing agreement shall survive the termination of this Lease.

ARTICLE XVIII. TRANSFER OF LANDLORD'S INTEREST

In the event of any transfer of Landlord's interest in the Premises, the transferor shall be automatically relieved of all obligations on the part of Landlord accruing under this Lease from

and after the date of the transfer, provided that any security deposit or prepaid rent held by the transferor in which Tenant has an interest shall be turned over, subject to that interest, to the transferee, the transferee assumes the obligations of Landlord hereunder accruing from and after the date of the transfer, and Tenant is notified of the transfer as required by Applicable Law. It is intended that the covenants and obligations contained in this Lease on the part of Landlord shall, subject to the foregoing, be binding on Landlord, its successors and assigns, only during and in respect to their respective successive periods of ownership. None of Landlord's covenants, undertakings or agreements under this Lease is made or intended as personal covenants, undertakings or agreements by Landlord, or by any of Landlord's shareholders, directors, officers, trustees or constituent partners. All liability for damage or breach or nonperformance by Landlord shall be collectible only out of Landlord's interest from time to time in the Premises, and no personal liability is assumed by nor at any time may be asserted against Landlord or any of Landlord's shareholders, directors, officers, trustees or constituent partners.

ARTICLE XIX. INTERPRETATION

SECTION 19.1. GENDER AND NUMBER. Whenever the context of this Lease requires, the words "Landlord" and "Tenant" shall include the plural as well as the singular, and words used in neuter, masculine or feminine genders shall include the others.

SECTION 19.2. HEADINGS. The captions and headings of the articles and sections of this Lease are for convenience only, are not a part of this Lease and shall have no effect upon its construction or interpretation.

SECTION 19.3. SUCCESSORS. Subject to Articles IX and XVII, all rights and liabilities given to or imposed upon Landlord and Tenant shall extend to and bind their respective heirs, executors, administrators, successors and assigns. Nothing contained in this Section 19.3 is intended, or shall be construed, to grant to any person other than Landlord and Tenant and their successors and assigns any rights or remedies under this Lease.

SECTION 19.4. TIME OF ESSENCE. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

SECTION 19.5. CONTROLLING LAW. This Lease shall be governed by and interpreted in accordance with the laws of the State of California.

SECTION 19.6. SEVERABILITY. If any term or provision of this Lease, the deletion of which would not adversely affect the receipt of any material benefit by either party or the deletion of which is consented to by the party adversely affected, shall be held invalid or unenforceable to any extent, the remainder of this Lease shall not be affected and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 19.7. WAIVER. One or more waivers by Landlord or Tenant of any breach of any term, covenant or condition contained in this Lease shall not be a waiver of any subsequent breach of the same or any other term, covenant or condition. Consent to any act by one of the parties shall not be deemed to render unnecessary the obtaining of that party's consent to any subsequent act. No breach of this Lease shall be deemed to have been waived unless the waiver is in a writing signed by the waiving party.

SECTION 19.8. INABILITY TO PERFORM. In the event that either party shall be delayed or hindered in or prevented from the performance of any work or in performing any act required

under this Lease by reason of any cause beyond the reasonable control of that party, then the performance of the work or the doing of the act shall be excused for the period of the delay and the time for performance shall be extended for a period equivalent to the period of the delay. The provisions of this Section 19.8 shall not operate to excuse either party from the prompt payment of a monetary obligation.

SECTION 19.9. ENTIRE AGREEMENT. This Lease and its exhibits and other attachments cover in full each and every agreement of every kind between the parties concerning the Premises, the Building, and the Project, and all preliminary negotiations, oral agreements, understandings and/or practices, except those contained in this Lease, are superseded and of no further effect. Tenant waives its rights to rely on any representations or promises made by Landlord or others which are not contained in this Lease. No verbal agreement or implied covenant shall be held to modify the provisions of this Lease, any statute, law, or custom to the contrary notwithstanding.

SECTION 19.10. QUIET ENJOYMENT. Upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, and subject to the other provisions of this Lease, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term without hindrance or interruption by Landlord or any other person claiming by or through Landlord.

SECTION 19.11. SURVIVAL. All covenants of Landlord or Tenant which reasonably would be intended to survive the expiration or sooner termination of this Lease, including without limitation any warranty or indemnity hereunder, shall so survive and continue to be binding upon and inure to the benefit of the respective parties and their successors and assigns.

SECTION 19.12. CERTIFIED ACCESS SPECIALIST INSPECTION. Landlord represents to Tenant that the Premises have not undergone an inspection by a Certified Access Specialist (CASp).

ARTICLE XX. EXECUTION AND RECORDING

SECTION 20.1. COUNTERPARTS. This Lease may be executed in one or more counterparts, each of which shall constitute an original and all of which shall be one and the same agreement.

SECTION 20.2. CORPORATE AND PARTNERSHIP AUTHORITY. If Tenant is a corporation or partnership, each individual executing this Lease on behalf of the corporation or partnership represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of the corporation or partnership, and that this Lease is binding upon the corporation or partnership in accordance with its terms.

SECTION 20.3. AMENDMENTS. No amendment or mutual termination of this Lease shall be effective unless in writing signed by authorized signatories of Tenant and Landlord, or by their respective successors in interest. No actions, policies, oral or informal arrangements, business dealings or other course of conduct by or between the parties shall be deemed to modify this Lease in any respect.

SECTION 20.4. OFAC. Tenant represents and warrants to and covenants with Landlord that **(i)** neither Tenant nor any Tenant Affiliates, nor to the best of Tenant's knowledge any of Tenant's or Tenant Affiliates' officers, directors, members, partners, shareholders or other equity

interest holders currently is, nor shall any of them be, at any time during the Term, in violation of any laws relating to terrorism or money laundering that may now or hereafter be in effect (collectively, the **"Anti-Terrorism Laws"),** including, without limitation, Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, any regulations of the U.S. Treasury Department's Office of Foreign Assets Control **("OFAC")** related to Specially Designated Nationals and Blocked Persons that may now or hereafter be in effect, and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (as heretofore or hereafter amended, the **"USA Patriot Act"); (ii)** none of Tenant or the Tenant Affiliates is nor shall any of them be, during the Term, a Prohibited Person. A **"Prohibited Person" is (1)** a person or entity owned or controlled by, affiliated with, or acting for or on behalf of, any person or entity that is identified as a "Specially Designated National" on the then most current list published by OFAC at its official website, http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf, or at any replacement website or other replacement official publication of such list, or **(2)** a person or entity who is identified as, or affiliated with, a person or entity designated as a terrorist, or associated with terrorism or money laundering, pursuant to regulations promulgated in connection with the USA Patriot Act); and **(iii)** Tenant has taken, and shall continue to take during the Term, reasonably appropriate steps to understand its legal obligations under the Anti-Terrorism Laws and has implemented, and shall continue to implement during the Term, appropriate procedures to assure its continued compliance with the above-referenced laws. Tenant hereby defends, indemnifies, and holds harmless Landlord and its affiliates and their respective officers, directors, members, partners, shareholders and other equity interest holders from and against any and all claims, losses, costs, liabilities, damages and expenses suffered or incurred by any or all of Landlord or any of such other indemnitees arising from, or related to, any breach of the foregoing representations, warranties and covenants. At any time and from time to time during the Term, Tenant shall deliver to Landlord, within ten (10) business days after receipt of a written request therefor, a written certification and such other evidence as Landlord may reasonably request evidencing and confirming Tenant's compliance with this Section 20.4. It is understood that the foregoing representations only applies to Tenant and not to any of Tenant's shareholders, or the constituents of any of Tenant's shareholders.

ARTICLE XXI. EARLY TERMINATION

SECTION 21.1. EARLY TERMINATION. In the event that any local and/or state laws prohibit Tenant or any subtenant from operating at the Premises during the Term, except for Los Angeles Proposition D, which Landlord agrees that Tenant satisfies the requirements for limited immunity, then such condition shall give the Tenant or the Landlord the right to terminate this Lease and any sublease or assignment agreements, upon delivering a thirty (30) day written notice to the other party of such party's intent to terminate this Lease, and such termination will be without any penalty to Landlord, Tenant or any subtenant. Landlord shall return any funds held by Landlord as a security deposit upon Tenant's surrender of the Premises.

SECTION 21.2. RIGHT TO TERMINATE. Notwithstanding any language to the contrary in the Lease, Tenant and Landlord hereby agree that in the event any governmental agency, authority, or enforcement body initiates or commences an action in California or Federal court to impose any criminal or civil liability, penalty or fine, of any kind against Landlord, Tenant, or their agents arising out of or related to Tenant's occupancy or use of the Premises, either party reserves the right to immediately terminate this Lease. Termination under this provision shall be effective thirty (30) days after providing of written notice by either Landlord or Tenant. All obligations of the Landlord and/or Tenant, except for those obligations, which specifically survive lease termination pursuant to the Lease, shall terminate upon the effective date of such notice.

Landlord shall return any funds held by Landlord as a security deposit upon Tenant's surrender of the Premises.

ARTICLE XXII. SECURITY DEPOSIT

Tenant shall be required to deposit with Landlord upon execution of this Lease the security deposit as set forth in Article I, Section 8 as security for Tenant's faithful performance of its obligations under this Lease. Notwithstanding the foregoing, Tenant may, by written notice to Landlord, request a deferment of Tenant's obligation to pay the security deposit as aforesaid, and Landlord may elect to defer such payment in Landlord's sole and absolute discretion. If Landlord defers such requirement, Tenant shall, within two (2) business days after Landlord's request therefor, pay the security deposit set forth in Article I, Section 8 to Landlord. If Tenant fails to pay rent, or otherwise defaults under this Lease, Landlord may use, apply or retain all or any portion of said security deposit for the payment of any amount already due Landlord, for rent which will be due in the future, and/ or to reimburse or compensate Landlord for any liability, expense, loss or damage which Landlord may suffer or incur by reason thereof. If Landlord uses or applies all or any portion of the security deposit, Tenant shall within ten (10) days after written request therefor deposit monies with Landlord sufficient to restore said security deposit to the full amount required by this Lease. If the Basic Rent increases during the Term of this Lease, Tenant shall, upon written request from Landlord, deposit additional monies with Landlord so that the total amount of the security deposit shall at all times bear the same proportion to the increased Basic Rent as the initial security deposit bore to the initial Basic Rent. Should the agreed use be amended to accommodate a material change in the business of Tenant or to accommodate a subtenant or assignee, Landlord shall have the right to increase the security deposit to the extent necessary, in Landlord's reasonable judgment, to account for any increased wear and tear that the premises may suffer as a result thereof. If a change in control of Tenant occurs during this Lease and following such change the financial condition of Tenant is, in Landlord's reasonable judgment, significantly reduced, Tenant shall deposit such additional monies with Landlord as shall be sufficient to cause the security deposit to be at a commercially reasonable level based on such change in financial condition. Landlord shall not be required to keep the security deposit separate from its general accounts. Within ninety (90) days after the expiration or termination of this Lease, Landlord shall return that portion of the security deposit not used or applied by Landlord. Landlord shall upon written request provide Tenant with an accounting showing how that portion of the security deposit that was not returned was applied. No part of the security deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Tenant under this Lease.

[SIGNATURE PAGE FOLLOWS]

LANDLORD:

MM DOWNTOWN FACILITY, LLC,
a California limited liability company

By: /s/ Cameron Smith
Name: Cameron Smith
Title (Print): Authorized Signatory

TENANT:

PHC FACILITIES, INC.,
a California corporation

By: /s/ Cameron Wald
Name: Cameron Wald
Title (Print): Sole Officer, Director and Authorized Signatory

EXHIBIT A

LEGAL DESCRIPTION OF OVERALL LAND

LOTS 15 TO 20 INCLUSVIE IN BLOCK “A’ OF THE SUBDIVISION OF BLOCKS “A” AND “E” OF THE ESTELi.A TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 55, PAGE 54 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT B

OVERALL LAND SITE PLAN

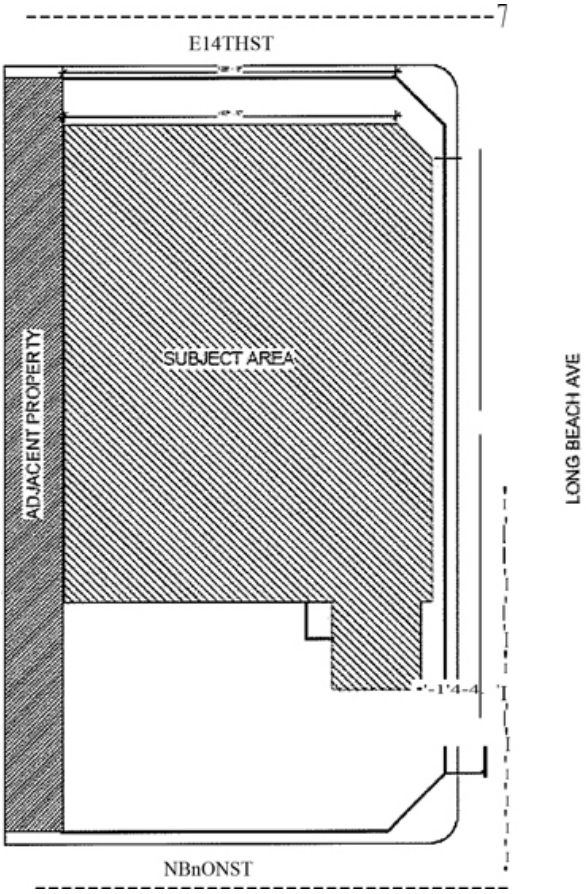

EXHIBIT C

PREMISES SITE PLAN

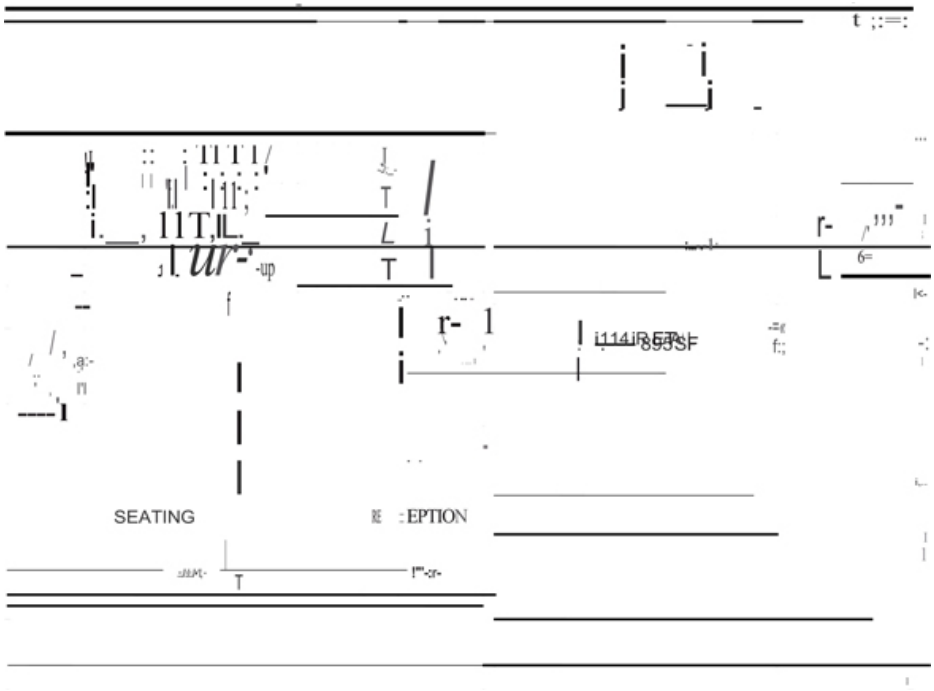

EXHIBIT D
TENANT'S INSURANCE

The following are Tenant's insurance requirements. Tenant agrees to present evidence to Landlord that it has fully complied with the insurance requirements.

1. Tenant shall, at its sole cost and expense, commencing on the Commencement Date and continuing during the entire Term, obtain and keep in full force and effect: (i) a combination of commercial general liability and umbrella liability insurance with respect to the Premises and the operations of or on behalf of Tenant in, on or about the Premises, including but not limited to personal injury, owned and non-owned automobile, blanket contractual, independent contractors, broad form property damage, fire legal liability, products liability (if a product is sold from the Premises), and cross liability and severability of interest clauses, which policy(ies) shall be written on a "per occurrence" basis and for not less than $5,000,000 combined single limit (with a $50,000 minimum limit on fire legal liability) per occurrence for bodily injury, death, and property damage liability, or the current limit of liability carried by Tenant, whichever is greater, provided that such liability limit may be subject to increase in an amount reasonably requested by Landlord if and when Tenant renews the Term of this Lease; (ii) workers' compensation insurance coverage as required by Applicable Law, together with employers' liability insurance coverage for not less than limits of $1,000,000 each accident, $1,000,000 disease policy limit and $1,000,000 disease each employee; (iii) with respect to improvements, alterations, and the like required or permitted to be made by Tenant under this Lease, builder's all-risk insurance, in amounts reasonably satisfactory to Landlord; (iv) insurance against fire, vandalism, malicious mischief and such other additional perils as may be included in a standard "all risk" form, insuring the leasehold improvements, trade fixtures, furnishings, equipment and items of personal property in the Premises, in an amount equal to not less than ninety percent (90%) of their actual replacement cost (with replacement cost endorsement); and (v) Property insurance, subject to standard exclusions (but specifically including earthquake coverage), covering the full replacement value of the Premises, and such other risks as Landlord or its mortgagees may from time to time reasonably deem appropriate with commercially reasonable deductible amounts. In no event shall the limits of any policy be considered as limiting the liability of Tenant under this Lease.

2. All policies of insurance required to be carried by Tenant pursuant to this Exhibit shall be written by responsible insurance companies authorized to do business in the State of California and with a general policyholder rating of not less than "A-,VIII" in the most current Best's Insurance Report. Any insurance required of Tenant may be furnished by Tenant under any blanket policy carried by it or under a separate policy. A certificate of insurance or policy information form, certifying that the policy has been issued, provides the coverage required by this Exhibit and contains the required provisions, and the additional insured provisions required under Section 3 below, shall be delivered by Tenant to Landlord prior to the date Tenant is given the right of possession of the Premises. Proper evidence of the renewal of any insurance coverage shall also be delivered by Tenant to Landlord not later than three weeks following the expiration of the coverage.

3. Unless otherwise provided below, each policy evidencing insurance required to be carried by Tenant pursuant to this Exhibit shall contain the following provisions and/or clauses satisfactory to Landlord: (i) with respect to Tenant's commercial general liability and umbrella liability insurance, a provision that the policy and the coverage provided shall be primary and that any coverage carried by Landlord shall be excess and noncontributory, together with a provision

including Landlord and any other parties in interest designated by Landlord as additional insureds. Tenant will promptly notify Landlord in the event of any change or cancellation in coverage provided by any of the policies required herein.

LEASE AGREEMENT

BETWEEN

NLCP 156 LINCOLN MA, LLC

AS LANDLORD

AND

PATRIOT CARE CORP.

AS TENANT

DATED AS OF DECEMBER 23, 2019

TABLE OF CONTENTS

THIS LEASE IS SUBJECT TO STRICT REQUIREMENTS FOR ONGOING REGULATORY COMPLIANCE BY THE PARTIES HERETO, INCLUDING, WITHOUT LIMITATION, REQUIREMENTS THAT THE PARTIES TAKE NO ACTION IN VIOLATION OF EITHER THE ACT OR THE GUIDANCE OR INSTRUCTION OF THE REGULATOR. SECTION 23.16 OF THIS LEASE CONTAINS SPECIFIC REQUIREMENTS AND COMMITMENTS BY THE PARTIES TO MAINTAIN FULLY THEIR RESPECTIVE COMPLIANCE WITH THE ACT AND THE REGULATOR. THE PARTIES HAVE READ AND FULLY UNDERSTAND THE REQUIREMENTS OF SECTION 23.16.

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**") is made and entered into as of December 23, 2019 (the "**Effective Date**"), by and between the Landlord, as defined in the Lease Terms Exhibit, and the Tenant, as defined in the Lease Terms Exhibit.

ARTICLE I.

Definitions

1.1. Definitions. The terms defined in this Article I shall have the following meanings whenever used in this Lease:

1.1.1. "**Act**" has the meaning given in the Lease Terms Exhibit.

1.1.2. "**Additional Rent**" shall mean all monetary obligations, other than Base Rent, of Tenant to Landlord under the terms of this Lease, whether or not specified as Additional Rent herein.

1.1.3. "**ADA**" shall mean the Americans with Disabilities Act of 1990, (42 U.S.C. §§ 12101 to 12213), as amended from time to time.

1.1.4. "**Affiliate**" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

1.1.5. "**Alteration(s)**" shall mean any change, alteration, addition, or improvement to the Premises.

1.1.6. "**Appurtenant Improvements**" shall mean all appurtenant improvements and facilities located on or hereafter constructed on the Land for the use or enjoyment of the Building, including, if applicable, all beneficial easements, driveways, sidewalks, parking, loading and landscaped areas, truck wells and any detention and/or retention ponds benefitting the Building, including, without limitation, the On-Site Improvements and Drainage Improvements.

1.1.7. "**Arbitration**" shall mean in such cases where this Lease expressly provides for the settlement of a dispute or question through arbitration, and only in such cases, each party shall promptly appoint a Qualified Appraiser as an arbitrator on its behalf and shall give notice

thereof to the other party. The two (2) Qualified Appraisers shall together appoint a third Qualified Appraiser within ten (10) days after the appointment of Landlord's and Tenant's Qualified Appraisers, and said three (3) Qualified Appraisers shall, within the applicable time period specified in this Lease, or if no time period is specified, as promptly as possible, determine the matter which is the subject of the arbitration and the decision of the majority of them shall be a conclusive, final, non-appealable decision binding on all parties and judgment upon the award may be entered in any court having jurisdiction. The arbitration shall be conducted in the offices of the American Arbitration Association in New York, unless otherwise agreed by Landlord and Tenant, and, to the extent applicable and consistent with this Lease, shall be in accordance with the Commercial Arbitration Rules of the American Arbitration Association or any successor body of similar function. The expenses of Arbitration shall be shared equally by Landlord and Tenant but each party shall be responsible for the fees and disbursements of its own attorneys and the expenses of its own proof Landlord and Tenant shall sign all documents and do all other things necessary to submit any such matter to arbitration and further shall, and hereby do, waive any and all rights they or either of them may at any time have to revoke their agreement hereunder to submit to arbitration and to abide by the decision rendered thereunder. The arbitrators shall have no power to vary or modify any of the provisions of this Lease and their jurisdiction is limited accordingly. Either party may enforce any arbitration award in any court described in Section 23.1 of this Lease.

1.1.8. "**Base Building Condition**" shall mean the actual physical condition of the Premises as of the Commencement Date.

1.1.9. "**Base Rent**" has the meaning given in the Lease Terms Exhibit.

1.1.10. "**Building**" shall mean the buildings and improvements (including the Building Systems) now or hereafter constructed on the Land, including, without limitation, the building depicted on **Exhibit B** attached hereto and made a part hereof.

1.1.11. "**Building Systems**" shall mean all mechanical, plumbing, electrical, sprinkler, life safety, heating, ventilating and air conditioning systems and other systems serving the Building, provided however, Building Systems shall not include any equipment, trade fixtures or any other fixtures that may be removed from the Leased Property without material damage to the Building or that are not considered a fixture under applicable Law.

1.1.12. "**Business Day(s)**" shall mean all days, excluding the following days: Saturdays, Sundays, and all days observed as legal holidays by the State and/or the Federal Government.

1.1.13. "**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

1.1.14. "**Commencement Date**" means the Effective Date.

1.1.15. "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise and "**Controlling**" and "**Controlled**" have meanings correlative thereto.

1.1.16. "**Drainage Improvements**" shall mean all drainage retention and storm water runoff systems and other requirements, as well as measures designed to protect wetlands, rare and endangered species, insects, birds, mammals, antiquities, cemeteries and historic or religious shrines located on or benefitting the Land.

1.1.17. **"Embargoed Person**" shall have the meaning set forth in Section 23.15.

1.1.18. "**Environmental Laws**" shall mean all Laws: (a) relating to the environment, human health, or natural resources; (b) regulating, controlling, or imposing liability or standards of conduct concerning any Hazardous Materials; (c) relating to Remedial Action; and (d) requiring notification or disclosure of releases of Hazardous Materials or of the existence of any environmental conditions on or at the Premises, as any of the foregoing may be amended, supplemented, or supplanted from time to time.

1.1.19. "**Event(s) of Default**" shall have the meaning set forth in Section 15.2.

1.1.20. "**Executive Order**" shall have the meaning set forth in Section 23.15.

1.1.21. "**Expiration Date**" has the meaning given in the Lease Terms Exhibit.

1.1.22. "**Federal Cannabis Laws**" shall mean any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing.

1.1.23. "**GAAP**" shall mean US generally accepted accounting principles in effect from time to time.

1.1.24. "**Guarantor(s)**" shall mean Columbia Care Inc., a corporation organized under the laws of British Columbia, Canada.

1.1.25. "**Guarantor Equity**" means the amount of total shareholder equity, as shown in Guarantor's financial reporting from time to time, and in the event that Guarantor is not publicly traded, the amount of total shareholder equity shown in Guarantor's audited financial statements from time to time.

1.1.26. "**Guarantor Equity Threshold**" means an amount of Guarantor Equity equal to Two Hundred Million and No/100 Dollars ($200,000,000.00).

1.1.27. "**Guarantor Material Change**" means, that only after the occurrence of the following, in one or more related transactions, the Guarantor Equity is less than the Guarantor Equity Threshold: (i) the sale of all or substantially all of the assets of Guarantor; (ii) the sale of

all or substantially all of Guarantor's outstanding common stock; (iii) the transfer of ownership or beneficial control of fifty one percent (51%) or more of Guarantor's voting stock; or (iv) the merger or other combination or consolidation of Guarantor (collectively, "**Merger**") with any other Person, whether or not Guarantor is the surviving Person except to the extent that the ownership of Guarantor immediately before the Merger and after the Merger remains unchanged.

1.1.28. "**Hazardous Materials**" shall mean any pollutant, contaminant, or hazardous, dangerous, or toxic chemicals, materials, or substances within the meaning of any applicable Environmental Law relating to or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste substance or material, all as amended or hereafter amended, including, without limitation, any material or substance which is: (a) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317) or equivalent State Laws; (b) defined as a "hazardous waste" pursuant to § 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (42 U.S.C. § 6903) or equivalent State Laws; (c) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601) or equivalent State Laws; (d) petroleum; (e) asbestos or asbestos-containing materials; (f) polychlorinated biphenyls ("**PCBs**") or substances or compounds containing PCBs; (g) radon; (h) medical waste; and (i) petroleum products. Notwithstanding the foregoing, cannabis, marijuana and related substances or products containing or relating to the same are explicitly excluded from this definition of Hazardous Materials.

1.1.29. "**Interest Rate**" shall mean the Prime Rate plus ten percent (10%) per annum but, in no event, in excess of the maximum permissible interest rate then in effect in the State.

1.1.30. "**Land**" shall mean all that certain plot, piece, or parcel of land described on **Exhibit A** attached hereto and made a part hereof.

1.1.31. "**Landlord**" has the meaning given in the Lease Terms Exhibit.

1.1.32. "**Landlord's Offer**" shall have the meaning set forth in Section 22.19.1.

1.1.33. "**Landlord's ROFO Notice**" shall have the meaning set forth in Section 22.19.2.

1.1.34. "**Landlord's Transferee Requirements**" shall have the meaning set forth in Section 5.2.

1.1.35. "**Landlord Parties**" shall mean Landlord and Landlord's officers, agents, employees, partners, successors, and assigns.

1.1.36. "**Law(s)**" shall mean all laws, statutes, and ordinances (including building codes, zoning ordinances, and regulations), rules, orders, directives, and requirements of all federal, state, county, municipal departments, bureaus, boards, agencies, offices, commissions, and other subdivisions thereof, or of any official thereof, or of any governmental, public or quasi-public authority, whether now or hereafter in force, which may be applicable to the Premises, or any part thereof, including, without limitation, the ADA, the OSH Act, and any and all Superior Instruments. Notwithstanding the foregoing, the term "**Law(s)**" shall explicitly exclude all Federal Cannabis Laws.

1.1.37. "**Lease**" shall have the meaning set forth in the first paragraph of this document.

1.1.38. "**Lease Renewal Amendment**" shall have the meaning set forth in Section 24.3.

1.1.39. "**Lease Terms Exhibit**" means the lease terms exhibit attached to this Lease as **Exhibit D**.

1.1.40. "**License**" has the meaning given in the Lease Terms Exhibit.

1.1.41. "**On-Site Improvements**" shall mean all sidewalks, service drives, parking areas, driveways, streets, access-ways to public streets and highways, curbs, utilities, directional signs and related improvements and landscaping, delivery and servicing areas adjoining the Building, traffic and parking lot striping and control signs, lighting and any fencing or screening located on or benefitting the Land.

1.1.42. "**Operating Expenses**" shall mean all costs and expenses of the, maintenance and operation of the Premises, but shall explicitly exclude: (a) principal, interest or any other payments or amounts due with respect to any mortgage loan or other financing of Landlord; (b) legal, accounting and other professional fees of Landlord not directly related to this Lease or Landlord's ownership of the Premises; (c) any amount paid by Landlord to any affiliate of Landlord for any services, to the extent such amount materially exceeds the cost that would have been paid to an unaffiliated third party for such services; or (d) for costs, expenses and damages resulting from the negligence or willful misconduct by Landlord or its agents, employees or contractors.

1.1.43. "**OSH Act**" shall mean the Occupational Safety and Health Act (29 U.S.C. §§ 651 to 678), as amended from time to time.

1.1.44. "**Other Lease**" means any of the lease agreements entered into between any Landlord (as defined in the Purchase Agreement), and any Tenant (as defined in the Purchase Agreement) pursuant to the Purchase Agreement.

1.1.45. "**Other Property**" means any real property located in the United States, whether owned by a Restricted Seller as of the Effective Date or acquired by any Restricted Seller after the Effective Date.

1.1.46. "**Partial Destruction**" shall mean any partial destruction or damage to the Building which does not result in Substantial Destruction.

1.1.47. "**Patriot Act**" shall have the meaning set forth in Section 23.15.

1.1.48. "**Person(s) or person(s)**" shall mean any natural person or persons, a limited liability company, a limited partnership, a partnership, a corporation, and any other form of business or legal association or entity.

1.1.49. "**Personal Property**" shall mean all tangible personal property now or at any time hereafter located on or at the Premises, including, without limitation, all trade fixtures, machinery, appliances, furniture, equipment, and inventory.

1.1.50. "**Permitted Transfer**" shall have the meaning set forth in Section 11.5.

1.1.51. "**Permitted Transferee**" shall have the meaning set forth in Section 11.5.

1.1.52. "**Permitted Use**" means (i) primarily, use in connection with the operation of cannabis cultivation, sales, processing, extraction and associated general office use in compliance with the Act and the guidance and instruction of the Regulator and (ii) secondarily, any use in compliance with Law. In the event that a change in Law renders the use described in clause (i) of the previous sentence a violation of Law, upon Landlord's receipt of written notice of the same from Tenant, the "**Permitted Use**" will mean any use in compliance with Law.

1.1.53. "**Premises**" shall mean the Land, the Building and the Appurtenant Improvements. For the avoidance of doubt, Landlord and Tenant acknowledge and agree that any property conveyed to Landlord by Seller (as defined in the Purchase Agreement) pursuant to the Purchase Agreement is and shall be included in the Premises.

1.1.54. "**Primary Lease Term**" shall mean the initial term of this Lease beginning on the Commencement Date and ending on the Expiration Date.

1.1.55. "**Prime Rate**" shall mean the prime or base rate announced as such from time to time by JPMorgan Chase & Co., and if not available, a comparable rate announced by another national bank selected by Landlord. Any interest payable under this Lease with reference to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 360-day year with twelve (12) months of 30 days each.

1.1.56. "**Prohibited Person**" shall have the meaning set forth in Section 23.15.

1.1.57. "**Property Management Fee**" shall mean an amount equal to one percent (1.00%) of Base Rent for the calendar month of the Term for which the applicable Property Management Fee is payable.

1.1.58. "**Purchase Agreement**" means the Agreement of Purchase and Sale dated as of December 11, 2019, executed by, among others, Landlord and Tenant.

1.1.59. "**Qualified Appraiser**" shall mean an arbitrator that: (a) is duly licensed in the State; (b) has at least ten (10) years' experience, on a full-time basis, leasing industrial space in the same general geographic area as that in which the Premises is located; and (c) is independent and has no then-pending or past brokerage relationship with any or all of Landlord, Tenant, and any Affiliates of either or both of Landlord and Tenant.

1.1.60. "**Real Estate Taxes**" shall mean any form of real estate tax or assessment, general, special, ordinary, or extraordinary imposed upon the Premises, or any portion thereof by any authority having the direct or indirect power to tax, including any city, state, or federal government, or any school, sanitary, fire, street, drainage, or other improvement district thereof, levied against the Premises or any portion thereof The term "Real Estate Taxes" shall also include any tax, fee, levy, assessment, or charge, or any increase therein, imposed by reason of events occurring, or changes in applicable zoning, municipal, county, state, and federal Laws, ordinances, and regulations, and any covenants or restrictions of record taking effect during the Term of this Lease, including but not limited to a change in ownership of the Premises (or any portion thereof), the execution of this Lease, or any modification, amendment, or transfer thereof, and whether or not contemplated by the parties hereto. Notwithstanding the foregoing, Real Estate Taxes shall specifically exclude the following: (a) any and all taxes on Landlord's income; (b) franchise taxes or corporate or unincorporated business taxes; (c) estate, gift, succession, or inheritance taxes; (d) any capital gains or profits taxes; (e) transfer taxes, or any similar taxes imposed on Landlord, unless those taxes are levied, assessed, or imposed in lieu of or in substitution for the whole or any part of the taxes, assessments, levies, or impositions that now constitute the defined term "Real Estate Taxes"; (f) any delinquency charges, interest, penalties and other charges imposed on the Landlord if it fails to pay the Real Estate Taxes when due; (g) any tax imposed with respect to the sale, exchange or other disposition by Landlord of the fee estate in the Leased Property; and (h) the incremental portion of any of the items in this Section 1.1.53 that would not have been levied, imposed or assessed but for any sale of the fee estate in the Premises.

1.1.61. "**Regulator**" has the meaning given in the Lease Terms Exhibit.

1.1.62. "**Remedial Action**" shall mean the investigation, response, clean up, remediation, prevention, mitigation, or removal of any Hazardous Materials necessary to comply with any Environmental Laws.

1.1.63. "**Renewal Notice**" shall have the meaning set forth in Section 24.1.

1.1.64. "**Renewal Option**" shall have the meaning set forth in Section 24.1.

1.1.65. "**Renewal Lease Term**" shall have the meaning set forth in Section 24.1.

1.1.66. "**Rent**" shall mean Base Rent and Additional Rent collectively.

1.1.67. "**Rent Commencement Date**" means the Commencement Date.

1.1.68. "**Rent Payment Address**" shall mean an address designated in writing by Landlord.

1.1.69. "**Restricted Area**" has the meaning given in the Lease Terms Exhibit.

1.1.70. "**Restricted Sellers**" has the meaning set forth in Section 22.19.1.

1.1.71. "**Right of First Offer Period**" has the meaning set forth in Section 22.19.1.

1.1.72. "**Security Deposit**" has the meaning given in the Lease Terms Exhibit.

1.1.73. "Speculative Activity" means entering into a binding agreement for the purchase of real property that, as of the date of that binding agreement, is not occupied by or leased to a Person licensed under the Act to operate a marijuana dispensary, cultivation or processing facility on that real property.

1.1.74. "State" shall mean the state or commonwealth in which the Land is located.

1.1.75. "Structural Alterations" shall mean any Alterations involving the structural, mechanical, electrical, plumbing, fire/life safety, heating, ventilating, and air conditioning systems of the Premises.

1.1.76. "Substantial Destruction" shall mean the damage or destruction of the Building by any casualty to the extent that repair of such damage or destruction cannot be completed within one hundred eighty (180) days after the date of such damage or destruction, as reasonably determined by Landlord.

1.1.77. "Substitute Tax" has the meaning given in Section 5.1.

1.1.78. "Superior Instruments" shall mean any reciprocal easement, covenant, restriction, restriction of easement, condominium documents, association requirements, or other agreement of record affecting the Premises as of the date of this Lease or subsequent thereto.

1.1.79. "Tenant" has the meaning given in the Lease Terms Exhibit.

1.1.80. "Tenant's Equipment" shall have the meaning set forth in Section 23.13.

1.1.81. "Tenant Improvements" shall mean those specific Alterations approved in advance by Landlord in accordance with the terms and requirements of **Exhibit F**.

1.1.82. "Tenant Improvement Allowance" has the meaning given in the Lease Terms Exhibit.

1.1.83. "Tenant's Offer" shall have the meaning set forth in Section 23.19.2.

1.1.84. "Tenant Parties" shall mean Tenant and Tenant's officers, agents, employees, partners, successors, and assigns.

1.1.85. "Tenant's Required Insurance" shall mean the following policie(s) of insurance meeting the following requirements:

(i) Commercial general liability insurance on an occurrence or claims-made coverage form, with coverages including but not limited to bodily injury (including death), property damage (including loss of use resulting therefrom), premises/operations, personal & advertising injury, and contractual liability with limits of liability of not less than $1,000,000 for bodily injury and property damage per occurrence, $2,000,000 general aggregate, which limits may be met by use of excess and/or umbrella liability insurance provided that such coverage is at least as broad as the primary coverages required herein.

(ii) If Tenant owns or uses any vehicles in its business, commercial automobile liability insurance covering liability arising from the use or operation of any automobiles, including those owned, hired or otherwise operated or used by or on behalf of the Tenant. The coverage shall be on an occurrence form with combined single limits of not less than $1,000,000 per accident for bodily injury and property damage.

(iii) Commercial property insurance with "causes of loss-special form coverage," insuring Tenant's Personal Property. For the avoidance of doubt, covered property shall include Tenant's property including personal property, furniture, fixtures, machinery, equipment, stock and inventory. This property may be leased, rented, borrowed or in the care custody or control of Tenant, or Tenant's agents, employees or subcontractors. Such insurance shall be written on an "all risk" of physical loss or damage basis including, but limited to, coverage of electrical injury, mechanical breakdown, windstorm, vandalism, malicious mischief, sprinkler leakage, back-up of sewers or drains, flood, and earthquake, for the full replacement cost value of the covered items with an agreed amount endorsement with no co-insurance. In addition, Tenant's property insurance policies shall not have a deductible in excess of Fifty Thousand and No/100 Dollars ($50,000.00).

(iv) Business income/business interruption insurance and extra expense policy or policies with coverage that will reimburse Tenant for all direct and indirect loss of income and charges and costs incurred arising out of those perils insured against by Tenant's policies of property insurance, including prevention of, or denial of use of or access to, all or part of the Premises or Building as a result of those perils. The business income/business interruption insurance must provide coverage for an amount that is no less than twelve (12) months of Base Rent under the Lease.

(v) Workers' compensation insurance as is required by statute or law, or as may be available on a voluntary basis and employers' liability insurance with limits of not less than the following: each accident, Five Hundred Thousand Dollars ($500,000); disease, Five Hundred Thousand Dollars ($500,000); disease (each employee), Five Hundred Thousand Dollars ($500,000).

(vi) Intentionally Omitted.

(vii) During any construction by Tenant or its contractors at the Premises ("**Tenant Work**"), Tenant shall cause the insurance required in **Exhibit C** to be in place.

(viii) No such policy required to be maintained by Tenant shall be cancelable or subject to reduction of coverage or other modification or cancellation except after twenty (20) days' prior written notice to Landlord from Tenant or its insurers (except in the event of non-payment of premium, in which case ten (10) days' written notice shall be given). All such policies shall be written as primary policies, not contributing with and not in excess of the coverage that Landlord may carry. Tenant's required policies shall contain severability of interests clauses stating that, except with respect to limits of insurance, coverage shall apply separately to each insured or additional insured. Tenant shall, at least five (5) days prior to the expiration of such policies, furnish Landlord with renewal certificates of insurance or binders. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to)

procure such insurance on Tenant's behalf, following Tenant's failure to remedy such default as provided in Section 15.2 of this Agreement, and at its cost to be paid by Tenant as Additional Rent. The policies required to by maintained pursuant to (i), (ii) and (vi) above, as well as any umbrella liability policy of Tenant, shall name the Landlord Parties as additional insureds with respect to liability arising from work or operations performed by or on behalf of Tenant, Tenant's use or occupancy of Premises, and ownership, maintenance or use of vehicles by or on behalf of Tenant.

(ix) Landlord acknowledges that Tenant's insurance as disclosed to Landlord in writing as of the Effective Date satisfies the requirements of this Section 1.1.85.

1.1.86. "Tenant's ROFO Notice" shall have the meaning set forth in Section 22.19.1.

1.1.87. "Term" shall mean the Primary Lease Term and any Renewal Lease Term (provided Tenant is entitled to and properly exercises its Renewal Option).

1.1.88. "Third Party" shall mean any Person that is not an Affiliate of Tenant.

1.1.89. "Transfer" shall have the meaning set forth in Section 11.1.

ARTICLE II.

Premises

2.1. Lease of Premises for Lease Term. Subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises for the Primary Lease Term, subject to earlier termination pursuant to any of the terms, covenants, or conditions of this Lease or pursuant to Law. Landlord shall deliver the Premises to Tenant on the Commencement Date in the Base Building Condition.

2.2. Acceptance of Premises. Tenant hereby acknowledges that except as expressly set forth in this Lease: (a) Tenant has had the opportunity to inspect the Premises and accepts the Premises in its "AS IS, WHERE IS" condition; (b) the Premises is acceptable for Tenant's intended Permitted Use; (c) neither Landlord, nor any of Landlord's agents, has made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease; and (d) TENANT EXPRESSLY WAIVES ANY WARRANTY OF CONDITION OR OF HABITABILITY OR SUITABILITY FOR OCCUPANCY, USE, HABITATION, FITNESS FOR A PARTICULAR PURPOSE, OR MERCHANTABILITY, EXPRESS OR IMPLIED, RELATING TO THE PREMISES.

ARTICLE III.

Payment of Base Rent and Additional Rent

3.1. Base Rent.

3.1.1. Tenant covenants and agrees to pay Base Rent to Landlord throughout the Primary Lease Term of this Lease in equal monthly installments, in advance, commencing on the Rent Commencement Date, and thereafter on the first (1st) day of each month during the Term, without notice or demand.

3.1.2. If Tenant is entitled to and properly exercises any Renewal Option, the Base Rent payable with respect to the Renewal Lease Term will be as set forth in Section 24.2.

3.2. Additional Rent.

3.2.1. Except as otherwise expressly provided in this Lease, Tenant shall be responsible for, at its sole cost and expense, all Operating Expenses. Tenant shall pay all Operating Expenses directly. If Tenant has not paid any Operating Expenses within thirty (30) days after the same are due, upon at least ten (10) days' prior written notice to the Tenant, Landlord may pay such amount, and the amount so paid, together with interest thereon at the Interest Rate from the date of payment shall be Additional Rent hereunder and shall be payable, within thirty (30) days after Tenant receives notice from Landlord as to such obligation.

3.2.2. Tenant shall pay to Landlord as Additional Rent, on or before the first (1st) day of each calendar month during the Term, the Property Management Fee.

3.3. Time and Manner of Payments.

3.3.1. Tenant shall pay to Landlord all Additional Rent that is payable to Landlord pursuant to the terms and conditions of this Lease within thirty (30) days after written demand therefor from Landlord, unless a different time period is specified in this Lease.

3.3.2. All Rent shall be paid, without notice or demand, except as otherwise specifically provided in this Lease:

(i) by good check drawn on an account at a bank in currency that at the time of payment is legal tender for public and private debts in the United States of America, made payable to Landlord at Landlord's Rent Payment Address or to such other parties and at such other addresses as Landlord shall direct by notice to Tenant from time to time;

(ii) at Landlord's or Tenant's option, by wire transfer of immediately available funds to an account at a bank designated by Landlord in writing; or

(iii) by any other method reasonably requested by Landlord.

3.4. Late Payment.

3.4.1. If any payment of Base Rent, Additional Rent, or any other charge or expense payable under this Lease is not received by Landlord within five (5) days after its due date, such payment shall be subject to a late payment fee of two percent (2%) of the unpaid amount, or such lesser amount as may be the maximum amount permitted by Law, until such payment is received by Landlord. Notwithstanding the foregoing, Landlord shall waive the first late payment fee that would otherwise be payable under this Section in each calendar year of the Term.

3.4.2. If any payment of Base Rent, Additional Rent, or any other charge or expense payable under this Lease is not received by Landlord within ten (10) days of the applicable due date, Tenant shall pay to Landlord, as Additional Rent, in addition to the late charge described above, interest on the overdue amount to Landlord at the Interest Rate. Such overdue payment shall bear interest from the applicable due date, without regard to any grace period, until the date such payment is received by Landlord. Such payment shall be in addition to, and not in lieu of, any other remedy Landlord may have.

3.5. **Net Lease**. This Lease shall be deemed and construed to be an "absolute net lease" and, except as herein expressly provided, the Landlord shall receive all payments required to be made by Tenant, free from all charges, assessments, impositions, expenses, deductions of any and every kind or nature whatsoever.

ARTICLE IV.

Taxes

4.1. **Payment**. Tenant agrees to pay all Real Estate Taxes during the Term of this Lease. Tenant shall pay the Real Estate Taxes directly to the applicable taxing authority before any penalties are imposed. Tenant shall also be responsible for and pay before penalties are imposed all municipal, county, and state taxes assessed, levied or imposed during or attributable to the Term and all extensions thereof, upon its leasehold interest in the Premises and all of Tenant's Personal Property. Notwithstanding the foregoing, (a) Taxes during the years in which the Commencement Date and Expiration Date occur shall be prorated between Landlord and Tenant as of the Commencement Date or the Expiration Date, as the case may be, on a due date basis, (b) Real Estate Taxes shall exclude any increases in taxes resulting from the sale of the Premises or any portion thereof, and (c) any special assessments shall be treated as though paid in installments over the longest period permitted by the taxing authority, and only those installments which would be payable during any year of the Term shall be paid for by Tenant. All of such Real Estate Taxes and such taxes as shall be levied on Tenant's Personal Property shall be paid by Tenant before they shall become delinquent. In the event that during the Term of this Lease (i) the Real Estate Taxes shall be reduced or eliminated, whether the cause thereof is a judicial determination of unconstitutionality, a change in the nature of the taxes imposed, or otherwise, and (ii) there is levied, assessed or otherwise imposed, in substitution for all or part of the tax thus reduced or eliminated, a tax (the "**Substitute Tax**") which imposes a burden upon Landlord by reason of its ownership of the Premises or its demise of the Premises to Tenant, then to the extent of such burden the Substitute Tax shall be deemed a Real Estate Tax for purposes of this paragraph. If Tenant has not paid the foregoing taxes within thirty (30) days after the same are due without penalty, upon at least ten (10) days' prior written notice to the Tenant, Landlord may pay such amount, and the amount so paid, together with interest thereon at the Interest Rate from the date of payment and all penalties actually incurred by Landlord in connection with said payment shall be Additional Rent hereunder and shall be payable, within thirty (30) days after Tenant receives notice from Landlord as to such obligation. Tenant shall have the right by appropriate proceedings and with due diligence and dispatch to contest in good faith and at Tenant's own expense the validity or amount of any such taxes, provided that no such contesting shall encumber or impair the Landlord's interest in the Premises or subject Landlord to liability. Upon the final determination of such contest by Tenant, Tenant shall immediately pay and satisfy the amount found to be due, together with any

costs, penalties and interest. In the event that any payment by way of security is required as a condition precedent to the prosecution of any such proceedings, Tenant shall pay any such amount in the manner required.

4.2. **Sales Taxes**. In addition to all Rent, Tenant shall pay the full amount of all sales, use, excise, and rental taxes levied, assessed, or payable for or on account of this Lease, or the rent payments contemplated by this Lease, or the rents and other sums of money payable under or by virtue of the Lease. Such payments shall be made directly to the taxing authority or to Landlord as Additional Rent, as provided by Law.

ARTICLE V.

Security Deposit

5.1. **Security Deposit Amount**. Tenant shall deposit the Security Deposit with Landlord simultaneously with the execution of this Lease for the faithful performance and observance by Tenant of the terms, provisions, and conditions of this Lease. It is agreed that in the event that there is an uncured and continuing Event of Default by Tenant under this Lease after the expiration of any applicable notice and cure periods, Landlord may draw on such Security Deposit to the extent required for the payment of Rent or any other sum as to which Tenant is in default, or any sum which Landlord may expend or may be required to expend by reason of Tenant's default in respect of any of the terms, covenants, or conditions of this Lease. In the event that Landlord does draw on the Security Deposit, Tenant shall within five (5) days of receiving written notice from Landlord, replenish the Security Deposit by the amount Landlord withdrew therefrom and failure to do so within such five (5) day period shall constitute an Event of Default under this Lease.

5.2. **Security Deposit Transfer**. If Landlord transfers its interest in the Premises during the Term of this Lease, Landlord may assign the Security Deposit to the transferee and thereafter shall have no further liability for the return of such Security Deposit, provided that the transferee assumes all of Landlord's obligations accruing subsequent to the date of the transfer, and further provided that the transferor delivers to the transferee any funds the transferor holds in which Tenant has an interest (such as the Security Deposit) (the "**Landlord's Transferee Requirements**").

5.3. **Return of Security Deposit**. If Tenant is not in default at the termination of this Lease, the balance of the Security Deposit remaining after any application of the Security Deposit shall be returned by Landlord to Tenant within thirty (30) days after expiration of the Term of this Lease.

5.4. **Increase of Security Deposit**. In the event that a Guarantor Material Change occurs, Tenant will immediately deliver written notice to Landlord of the same and the amount of the Security Deposit required to be maintained under this Section will immediately double. Within ten (10) business days after the occurrence of the Guarantor Material Change, Tenant will deposit the additional amount required to maintain the full Security Deposit, which additional amount may be provided in cash or via delivery of a letter of credit from a financial institution reasonably acceptable to Landlord. For the avoidance of doubt, after the increase of the Security Deposit under the terms of this Section occurs, future Guarantor Material Changes will not trigger any further increase of the amount of the Security Deposit.

ARTICLE VI.

Use

6.1. **Permitted Use**. Tenant shall use the Premises only for the Permitted Use and shall not use the Premises for any other purposes. Tenant shall not use the Premises or permit the Premises to be used in violation of any Law, or which constitutes a nuisance or waste. Tenant shall obtain and pay for all permits required for Tenant's use of the Premises for the Permitted Use and shall promptly take and pay for all actions necessary to comply with all Laws regulating the use by Tenant of the Premises for the Permitted Use, including, without limitation, the OSH Act, the ADA, the Act and any guidance or instruction of the Regulator. Without limiting the foregoing, it shall be a breach of Tenant's obligations under this Section if any judgment (whether final or not) is entered that has the effect (whether by restraining order, injunction, declaration, or otherwise) of establishing that the Tenant's use of the Premises constitutes a violation of Law.

6.2. **Uses Prohibited**. Tenant shall not do or permit anything to be done in or about the Premises nor bring to or keep anything in or on the Premises that is not within the Permitted Use of the Premises or which would reasonably be expected to cause a cancellation of any insurance policy or policies covering the Premises or any part thereof or any of its contents.

6.3. **Landlord's Access**.

6.3.1. Landlord or its agents may, to the extent permitted by the Act and the guidance and instruction of the Regulator, enter the Premises only for commercially reasonable purposes and only during business hours and upon reasonable prior written notice to Tenant (a minimum of twenty-four (24) hours except in the case of emergency) and at Tenant's option accompanied by a representative of Tenant (provided Tenant makes such representative available), to inspect the Premises or to show the Premises to potential buyers, investors, tenants (but for potential tenants only during the last twelve (12) months of the Term or at any time while a continuing and uncured Event of Default occurs after the expiration of applicable notice and cure periods contained in this Lease), or other parties (including Landlord's mortgagee. Landlord may place customary "For Sale" or "For Lease" signs on or about the Premises only during the period that is one hundred eighty (180) days prior to the end of the Term of this Lease (unless otherwise agreed with Tenant) or if Tenant vacates the Premises prior to the expiration of the Term of this Lease.

6.3.2. Landlord shall exercise all reasonable efforts so that any entry into the Premises is reasonably designed to minimize interference with the operation of Tenant's business in the Premises.

6.3.3. Notwithstanding any provision in this Lease to the contrary, Tenant may, at its own expense, provide its own locks to certain areas within the Premises (each, a "**Secured Area**"). Tenant need not furnish Landlord with a key to any such Secured Area, but upon the expiration or earlier termination of this Lease, Tenant shall surrender all such keys to Landlord. If Landlord must gain access to a Secured Area in a non-emergency situation, Landlord shall provide

Tenant with not less than seventy-two (72) hours' notice and Landlord and Tenant shall arrange a mutually agreed upon time for Landlord to do so. Landlord shall comply with all reasonable security measures pertaining to the Secured Area. If Landlord determines in its reasonable discretion that an emergency in the Building or the Premises, including, without limitation, a suspected fire or flood, requires Landlord to gain access to the Secured Area, Landlord shall give Tenant prior notice of such emergency entry to the extent such prior notice may be reasonable under the circumstances, and if prior notice is not available because of an emergency, the Landlord shall provide notice to Tenant as soon as is practicable thereafter.

6.4. **Security**. Notwithstanding the foregoing, Landlord is not responsible for the security of persons or property on or about the Premises and Landlord is not and will not be liable in any way whatsoever for any criminal activity or any breach of security on or about the Building or the Premises. Tenant shall be responsible for obtaining and maintaining all security with respect to the Premises, whether by the use of devices, security guard personnel, or otherwise. Tenant acknowledges and agrees that Landlord shall have no liability to Tenant or its employees, agents, contractors, or invitees for the implementation or exercise of, or for the failure to implement or exercise, any security measures with respect to the Premises.

ARTICLE VII.

Hazardous Materials

7.1. **Tenant Operations**. Tenant shall not cause in, on, or under the Premises, or suffer or permit to occur in, on, or under, the Premises any generation, use, manufacturing, refining, transportation, emission, release, treatment, storage, disposal, presence, or handling of Hazardous Materials, except that limited quantities of Hazardous Materials may be used, handled, or stored on the Premises, provided such limited quantities of Hazardous Materials are incident to and reasonably necessary for the maintenance of the Premises or Tenant's operations for its Permitted Use and is in compliance with all Environmental Laws. Should a release of any Hazardous Material occur at the Premises as a result of the acts or omissions of Tenant, or its employees, agents, suppliers, shippers, customers, contractors, or invitees, Tenant shall immediately contain, remove from the Premises and/or properly dispose of such Hazardous Materials and any material contaminated by such release, and remedy and mitigate all threats to human health or the environment relating to such release, all in accordance with Environmental Laws.

7.2. **Permits and Documents**. Tenant, in a timely manner, shall, to the extent required due to Tenant's use of the Premises or arising out of Tenant's actions at the Premises, obtain and maintain in full force and effect all permits, licenses, and approvals, and shall make and file all notifications and registrations as required by Environmental Laws. Tenant shall at all times comply with the terms and conditions of any such permits, licenses, approvals, notifications, and registrations. Tenant shall provide copies of the following pertaining to the Premises or Tenant's use thereof, promptly after each shall have been submitted, prepared, or received by Tenant in writing: (a) all notifications and associated materials submitted to any governmental agency relating to any Environmental Law; (b) all notifications, registrations, reports, and other documents and supporting information prepared, submitted, or maintained in connection with any Environmental Law or otherwise relating to environmental conditions; (c) all permits, licenses, and approvals, including any modifications thereof, obtained pursuant to any Environmental Law; and (d) any correspondence, notice of violation, summons, order, complaint, or other documents received by Tenant pertaining to compliance with or liability under any Environmental Law.

7.3. **Inspection and Environmental Reports**. Upon not less than five (5) business days' prior written notice from Landlord, and at Tenant's option accompanied by a representative of Tenant, Tenant agrees to permit Landlord and its authorized representatives to enter, inspect, and assess the Premises during normal business hours, provided that, (i) Landlord's entry, assessment or inspection shall be conducted in a manner as to comply with the Act and the guidance and instruction of the Regulator and to minimize any interference with Tenant's business operations and Landlord shall cooperate with Tenant regarding same, and (ii) Landlord's rights under this Section may only be exercised in good faith based on a commercially reasonable belief that an adverse environmental condition exists and the written notice delivered by Landlord must include a commercially reasonable basis for Landlord's inspection and assessment. Such inspections and assessments shall be at the sole cost of Landlord and may include obtaining samples and performing tests of soil, surface water, ground water, or other media; provided that any investigations with respect to Hazardous Materials shall be in compliance with all Environmental Laws and regulatory requirements and shall be done in a manner so as to reduce to the maximum extent possible the interference with Tenant's use, operation and enjoyment of the Premises. Landlord may, at Landlord's sole cost and only upon providing commercially reasonable evidence to Tenant that Landlord has a good faith reason to believe that the improper use, handling, storage, transportation, or disposal of Hazardous Materials has been caused by the Tenant at the Premises (each an "**Environmental Violation**"), obtain a report from an environmental consultant of Landlord's choice as to whether such Environmental Violation exists. If any such report indicates the existence of a significant Environmental Violation on the part of Tenant (or on behalf of Tenant), Tenant agrees to reimburse Landlord within thirty (30) days after receipt of an invoice and supporting documentation from Landlord for the cost of obtaining the environmental report, and, in addition, Landlord shall require that any Environmental Violation be corrected and/or that Tenant obtain all necessary environmental permits and approvals with respect thereto. If Tenant fails to correct any such Environmental Violation(s) and/or fails to obtain such necessary approvals or permits within thirty (30) days after written demand from Landlord, then upon prior written notice to Tenant, Landlord may cause the Premises to be remedied from the Environmental Violation at Tenant's sole cost and expense, which Tenant agrees to pay within ten (10) days after receipt of an invoice and supporting documentation from Landlord as Additional Rent. Landlord shall provide Tenant with a copy of the results of any environmental reports or inspections of the Premises within five (5) days after Landlord's receipt of same. Tenant shall also have the right to have its own environmental expert attend the foregoing inspection, independently test samples, and review any environmental reports or inspection results prepared by Landlord's environmental consultant.

7.4. **Environmental Indemnification**. Tenant hereby agrees to indemnify, defend, save, and keep Landlord, and Landlord's officers, principals, shareholders, partners, employees, successors, and assigns, harmless from and against any and all liabilities, obligations, charges, losses, damages, penalties, claims, actions, and expenses, including without limitation, engineers' and professional fees, soil tests, and chemical analysis, court costs, legal fees, and expenses through all trial, appellate, and administrative levels, imposed on, incurred by, or asserted against Landlord, in any way relating to, arising out of, or in connection with (a) any failure of the Premises or the activities of any Tenant Parties to comply with an Environmental Laws or Superior

Instruments, or (b) the use, handling, storage, transportation, or disposal of Hazardous Materials by Tenant or its agents, employees, representatives, tenants, or contractors in, on, or about the Premises. The foregoing indemnification shall survive any assignment or termination of this Lease, provided that Tenant shall have no obligation under this Section to indemnify Landlord for any failure of the Premises to comply with any Environmental Laws if such failure occurs after the termination of the Lease and is not caused by the negligence or willful misconduct of the Tenant.

ARTICLE VIII.

Services and Utilities

8.1. **Payment**. Tenant agrees to pay all charges made against the Premises for gas, heat, electricity and all other utilities during the Term of this Lease as the same shall become due. Tenant shall obtain service in its own name and pay all charges directly to the applicable utility providers. Tenant, at its sole cost and expense, shall have the right to introduce into the Premises such additional utilities as Tenant might require and Tenant shall pay the cost of such additional utilities directly to the applicable utility companies.

8.2. **Interruption of Services and Utilities**. Notwithstanding anything to the contrary contained herein, Landlord shall be liable for interruption or diminution of utility services to the Premises only if, by act or omission, such interruption or diminution is caused solely by Landlord, its officers, directors, shareholders, employees, agents, licensees, invitees, contractors and/or others acting on behalf of, or at the direction of Landlord.

ARTICLE IX.

Maintenance, Repairs and Alterations

9.1. **Tenant's Obligations**. Except as provided in Section 9.2 or as may be necessary solely due to the negligence or willful misconduct of Landlord, its employees, agents, licensees, invitees and contractors, Tenant shall, at Tenant's sole cost and expense, keep the Premises and every part thereof in at least the condition and repair existing on the Commencement Date (as such condition may be altered by any Alterations), ordinary wear and tear excepted. Tenant shall be obligated to perform any repair, replacement or other maintenance of the Premises that may become necessary during the Term and shall promptly provide written notice of the same to Landlord. In addition, Tenant shall, at Tenant's sole cost and expense, enter into a semi-annual preventative maintenance contract for the heating, ventilating and air conditioning equipment serving the Premises with a contractor approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed). All repairs made by or on behalf of Tenant shall be made and performed in accordance with all Laws.

9.2. **Landlord's Obligations**. Landlord shall, at Landlord's sole cost and expense, maintain the following in good condition and repair (including repairs and replacements, as reasonably necessary): (i) the Building footings, foundations, floor slab, structural steel columns and girders; (ii) the Building roof (including, without limitation, the roof structure, membrane and roof covering) and exterior walls; and (iii) any underground utilities serving the Premises (collectively referred to herein as "**Capital Replacements**"). Tenant shall have no obligation to pay for any Capital Replacements made by Landlord in a commercially reasonable manner and to

the extent reasonably necessary to be made, except as follows: Tenant shall reimburse Landlord for the amortized portion of the cost of any Capital Replacements (amortized on a straight-line basis over its useful life or the remaining Term of this Lease, whichever is longer), payable in equal monthly installments beginning on the date which is thirty (30) days after Landlord has provided a written demand, accompanied by a paid invoice and reasonable supporting documentation therefor, and thereafter on the first day of each month during the remainder of the Term of this Lease, as applicable; provided, Tenant shall in no event be liable for any portion of the amortized cost of any Capital Replacements which extends beyond the expiration of the Term. If Tenant becomes aware of any condition that is Landlord's responsibility to repair pursuant to this Lease, Tenant shall promptly notify Landlord of the condition. All repairs and replacements made by or on behalf of Landlord shall be made and performed in accordance with all applicable Laws.

9.3. **Alterations**. Tenant shall not make any Alterations without obtaining Landlord's prior written consent, except that Tenant may make interior, non-structural Alterations without such consent upon at least fifteen (15) days' prior notice to Landlord, provided that the cost thereof does not exceed an aggregate amount of Fifty Thousand and 00/100 Dollars ($50,000.00) annually. Any Alterations requiring Landlord's consent shall be presented to Landlord in written form with detailed plans. In connection with any Alterations, Tenant shall, at Tenant's sole cost and expense: (i) acquire all applicable governmental permits; (ii) furnish Landlord with copies of both the permits and the plans and specifications at least fifteen (15) days before the commencement of the work, (iii) comply with all conditions of said permits in a prompt and expeditious manner and (iv) secure full and final waivers of all liens affecting the Premises. All Alterations shall be performed in a workmanlike manner with good and sufficient materials. Upon completion of any Alterations, Tenant shall, at Tenant's sole cost and expense, promptly upon completion, furnish Landlord with a reproducible copy of as-built drawings and specifications for any Alterations. Any Tenant Work for any Alterations shall be done at Tenant's sole cost and expense in accordance with all Laws and in a good and workmanlike manner. Landlord shall cooperate at no out of pocket cost to Landlord in securing any necessary permits and approvals with respect to the Alterations. All Alterations which may be made on the Premises shall, at the expiration or termination of the Term, become the property of Landlord and remain upon and be surrendered with the Premises. Tenant shall reimburse Landlord for its reasonable, actual out-of-pocket costs incurred in connection with its review of plans, specifications and other materials for any Alterations made by Tenant within ten (10) days of Tenant's receipt of an invoice for such costs from Landlord. Notwithstanding anything to the contrary in the Lease, in no event shall Landlord take possession, custody or control of any regulated property or assets of Tenant that would require Landlord to be authorized to do so under the Act, unless Landlord is actually authorized to do so or, in the alternative, so appoints a third party designee or assignee (actually authorized and so confirmed by the Regulator) to enforce such rights hereunder.

9.4. **Surrender**. On the Expiration Date or on any sooner termination of this Lease, Tenant shall surrender the Premises to Landlord in at least the condition existing on the Commencement Date, (as such condition may be altered by any Alterations), ordinary wear and tear, damage by casualty and condemnation, and repairs which are the obligation of Landlord excepted. On the Expiration Date or within thirty (30) days thereafter, Landlord and Tenant (together with any professional inspector(s) retained by either party) shall conduct a walk-through inspection of the Premises and shall complete (or cause to be completed) an inspection report to

establish the condition of the Premises on the Expiration Date. Unless Landlord notifies Tenant that the Premises are not in the condition required by this Section 9.4 (including a detailed description thereof) within thirty (30) days after the Expiration Date, Landlord shall be deemed to have approved the condition of the Premises. If either party elects to retain a professional inspector, any fees or costs charged by such inspector shall be paid by the party which retained such inspector.

9.5. Tenant Improvement Allowance. See **Exhibit D**.

ARTICLE X.

Covenant Against Liens

Nothing contained in this Lease shall authorize or empower Tenant to do any act which shall in any way violate any Superior Instruments, or encumber Landlord's title to the Premises, nor in any way subject Landlord's title to any claims by way of lien or encumbrance whether claimed by operation of Law or by virtue of any expressed or implied contract of Tenant, and any claim to a lien upon the Premises arising from any act or omission of Tenant shall attach only against Tenant's interest and shall in all respects be subordinate to Landlord's title to the Premises. If Tenant has not removed or bonded over any such lien or encumbrance within ten (10) days after written notice to Tenant by Landlord, Landlord may, but shall not be obligated to, pay the amount necessary to remove such lien or encumbrance, without being responsible for making any investigation as to the validity or accuracy thereof, and the amount so paid, together with all costs and expenses (including attorneys' fees) incurred by Landlord in connection therewith, shall be deemed Additional Rent reserved under this Lease and due and payable within thirty (30) days after Tenant's receipt of notice of such payment by Landlord and supporting documentation. Notwithstanding the foregoing, Tenant will take commercially reasonable steps to prevent any mechanic's lien from attaching to Landlord's title to the Premises, but in the event that despite Tenant's commercially reasonable steps to prevent it, a mechanic's lien does so attach, Tenant shall remove or bond over the mechanic's lien within thirty (30) days of receiving notice of such lien. In the event that Tenant fails to remove or bond over the mechanic's lien within the thirty (30) days, Landlord shall have the right to use the Security Deposit to bond over the mechanic's lien and to pay for any reasonable costs and attorney's fees incurred by Landlord in connection therewith. Landlord shall refund the bond amount to Tenant promptly after Tenant's delivery to Landlord of the mechanic's lien release.

ARTICLE XI.

Assignment and Subleasing

11.1. Landlord's Consent Required. Other than a Permitted Transfer, Tenant shall not, directly or indirectly, voluntarily or by operation of Law, sell, assign, encumber, mortgage, pledge, or otherwise transfer or hypothecate all of any part of the Premises, or Tenant's leasehold estate hereunder, or sublet all or any portion of the Premises or permit the Premises to be occupied by anyone other than Tenant (each such act herein referred to as a "**Transfer**"), without Landlord's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned, or delayed. Any attempted Transfer without Landlord's prior written consent shall be

void and shall constitute a non-curable breach of this Lease. If Tenant is a partnership or a limited liability company, any cumulative transfer of at least fifty-one percent (51%) of the partnership or limited liability company membership interests, as applicable, shall constitute a Transfer and shall require Landlord's consent except as otherwise provided in this Lease. Without limiting the foregoing, it shall constitute a Transfer and shall require Landlord's consent if: (a) Tenant is a limited partnership, there is a transfer of a general partner interest; or (b) if Tenant is a limited liability company, there is a transfer of any managing membership interest. If Tenant is a corporation, any change in a controlling interest of the voting stock of the corporation shall constitute a Transfer and shall require Landlord's prior consent. Notwithstanding the foregoing or anything to the contrary in this Lease, any Transfer of any interest in Guarantor or in any Person owning a direct or indirect interest in Guarantor shall not constitute a Transfer under this Section 11.1 or any other provision of this Lease and shall be freely permitted without any notice to Landlord or any other requirement, provided however, in the event a Guarantor Material Change occurs, Tenant shall comply with Section 5.4 of this Agreement.

11.2. **No Release of Tenant**. No Transfer permitted under this Lease, whether with or without Landlord's consent, shall release Tenant or change Tenant's primary liability to pay the Rent and to perform all other obligations of Tenant under this Lease. Landlord's acceptance of Rent from any other person is not a waiver of any provision of this Lease. Consent by Landlord to one Transfer is not consent to any subsequent Transfer. If Tenant's transferee defaults under this Lease, Landlord may proceed directly against Tenant without pursuing remedies against the transferee. Landlord may consent to subsequent Transfers of this Lease by Tenant's transferee, without notifying Tenant or obtaining its consent. Such action shall not relieve Tenant's liability under this Lease. If Tenant transfers Tenant's interest hereunder, then Landlord shall receive, as Additional Rent, the excess, if any, between the rent (or other consideration) paid in connection with such Transfer and the Rent payable by Tenant hereunder.

11.3. **Landlord's Election**. Tenant's request for consent to any Transfer shall be accompanied by a written statement setting forth the details of the proposed Transfer, including the name, business, and financial condition of the prospective transferee, financial details of the proposed Transfer (such as the term of the sublease and the amount of rent and security deposit payable under any assignment or sublease), and any other information Landlord deems relevant. Landlord shall have the right: (a) to withhold consent; or (b) to grant consent, in Landlord's reasonable discretion, and provided that such consent is not unreasonably withheld or delayed. .

11.4. **No Merger**. No merger shall result from Tenant's sublease of the Premises, Tenant's surrender of this Lease or the termination of this Lease in any other manner.

11.5. **Permitted Transfers**. Notwithstanding the foregoing, except if necessary to comply with Section 11.6 below, as long as Guarantor continues to own, directly, or indirectly, one hundred percent (100%) of the ownership interests of any new Tenant pursuant to this Section, Landlord's consent shall not be required for the assignment of Tenant's interest of this Lease or sublease of the Premises: (i) to any Affiliate of Tenant; (ii) in connection with the merger or consolidation of Tenant with another entity; (iii) in connection with the sale or transfer of all or substantially all of the stock or membership interest of Tenant or all or substantially all of Tenant's assets to a single entity in a single transaction; or (iv) to a leasehold mortgagee or its designee (each, a "**Permitted Transfer**").

11.6. **REIT Protection**. Notwithstanding anything in this Lease to the contrary (but subject to the final sentence of this Section 11.6), (a) no assignment or subletting shall be consummated on any basis such that the rental or other amounts to be paid by the transferee or sublessee thereunder would be based, in whole or in part, on the income or profits derived by any Person from the Building; and (b) Tenant shall not consummate an assignment or subletting with (i) in case Tenant informs Landlord in writing the name of the proposed transferee or sublessee of such assignment or subletting, a Person that Landlord notifies Tenant (within five (5) days after Tenant providing such information) that Landlord directly or indirectly owns such Person (by applying the constructive ownership rules set forth in Section 856(d)(5) of the Code, (x) in the case of any person which is a corporation, stock of such person possessing 10% or more of the total combined voting power of all classes of stock entitled to vote, or 10% or more of the total value of shares of all classes of stock of such person, or (y) in the case of any person which is not a corporation, an interest of 10% or more in the assets or net profits of such person) or (ii) in case Tenant fails to inform Landlord of such assignment or subletting, any Person in which Landlord directly or indirectly owns (by applying the same ownership rules described in clause (i) of this Section). Notwithstanding the foregoing, in the event of any modification or amendment of Section 856(d) of the Code after the Effective Date, Tenant agrees to provide Landlord with such additional information as Landlord may commercially reasonably request in order for Landlord to confirm that any assignment or sublease of this Lease would not reasonably be expected to cause any portion of the amounts received by Landlord pursuant to this Lease to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code.

ARTICLE XII.

Insurance and Indemnification

12.1. **Tenant's Insurance Obligations**. Tenant shall, during the Term, maintain Tenant's Required Insurance. Tenant shall include Landlord as an additional insured on the policies of Tenant's Required Insurance. Tenant shall be financially responsible for payment of its premiums, deductibles, retentions, self-insurance, coinsurance, uninsured amounts or any amount in excess of policy limits.

12.2. **Insurance Requirements**. All policies of Tenant's Required Insurance shall be written by an insurer or insurers that have an A.M. Best & Company rating of "A-", Class "VII", or better and who are authorized to write such business in the State. Upon request, the Tenant shall deliver to Landlord certificates of insurance evidencing the insurance coverage required to be maintained by Tenant under this Lease.

12.3. **Waiver of Subrogation**. Tenant and Landlord each hereby release and relieve the other and waive their entire right of recovery against the other for loss or damage arising out of or incident to the perils insured against under this Article XII, which perils occur in, on, or about the Premises, whether due to the negligence of Landlord, Landlord Parties, or Tenant, or any of their agents, employees, contractors, or invitees. Tenant and Landlord shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

12.4. **Indemnity**. Except for the negligence and intentional misconduct of any Landlord Parties and the specific obligations of Landlord under this Lease, Tenant shall indemnify and hold harmless all Landlord Parties from and against any and all claims arising from Tenant's use of the Premises, or from the conduct of Tenant's business or from any activity, work, or things done, permitted, or suffered by Tenant in, on, or about the Premises or elsewhere, and shall further indemnify and hold harmless all Landlord Parties from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any negligence of Tenant, or any of Tenant's agents, contractors, or employees, and from and against all costs, attorney's fees, expenses, and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding shall be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damages to property or injury to persons, in, on, or about the Premises arising from any cause, and Tenant hereby waives all claims in respect thereof against any Landlord Parties.

12.5. **Landlord's Insurance**. Landlord will maintain the following policies of insurance (all costs of which shall be payable by Tenant as Additional Rent):

12.5.1. Fire and extended coverage to the extent of the full replacement cost of the Premises, including, at Landlord's option, earthquake and flood coverage and other endorsements which Landlord may elect to maintain, together with a builder's risk insurance policy during the performance of any Tenant Work or other period of construction at the Premises, in such amounts and with such deductibles and other provisions as Landlord may determine in its sole discretion;

12.5.2. Twenty-four (24) months of rental loss insurance to the extent of 100% of Rent;

12.5.3. Comprehensive general liability insurance with a single limit of not less than $1,000,000 for bodily injury or death and property damage with respect to the Premises, a general aggregate not less than $1,000,000 for bodily injury or death and property damage with respect to the Premises, and not less than $2,000,000 of excess umbrella liability insurance; and

12.5.4. Environmental liability or environmental clean-up/remediation insurance in such amounts and with such deductibles and other provisions as Landlord may determine in its sole discretion.

ARTICLE XIII.

Damage and Destruction

13.1. **Tenant's Obligation to Rebuild**. If the Premises are damaged or destroyed, Tenant shall immediately provide notice thereof to Landlord, and shall promptly thereafter deliver to Landlord Tenant's good faith estimate of the time it will take to repair and rebuild the Premises ("**Tenant's Estimate**"). Within fifteen (15) days of Landlord's receipt of Tenant's Estimate, Landlord shall deliver written notice to Tenant of (a) Landlord's approval of Tenant's Estimate or (b) Landlord's good faith objections to Tenant's Estimate, a description of the grounds for such objections and Landlord's alternative good faith estimate of the time to repair and rebuild the

Premises ("**Landlord's Estimate**"). If Landlord fails to deliver written notice to Tenant during such fifteen (15) days period, Landlord shall be deemed to have approved Tenant's Estimate. The "**Estimated Repair Time**" shall mean either (x) Tenant's Estimate approved (or deemed approved) by Landlord pursuant to this Section or (y) Landlord's Estimate, as determined by Arbitration, if Landlord delivers written notice to Tenant of the same pursuant to this Section. Subject to the other provisions of this Article XIII, Tenant shall promptly and diligently repair and rebuild the Premises in accordance with this Article XIII unless Landlord or Tenant terminates this Lease in accordance with Section 13.2.

13.2. Termination.

13.2.1. Landlord's Right to Terminate. Landlord shall have the right to terminate this Lease if any of the following occurs (each, a "**Termination Condition**"): (i) insurance proceeds, together with additional amounts Tenant agrees to contribute under this Article XIII, are not confirmed to be available to Tenant, within ninety (90) days following the date of damage, sufficient to pay one hundred percent (100%) of the cost to fully repair the damaged Premises, provided that if Tenant delivers written notice to Landlord that it disputes Landlord's determination within ten (10) days after Landlord's Termination Notice for this Termination Condition, this Lease will not be terminated unless and until the matter of the sufficiency of insurance proceeds and Tenant's committed contribution for the necessary repair has been determined by Arbitration, and Tenant has failed to contribute the required amount within ten (10) days after the determination in such Arbitration; (ii) based upon the Estimated Repair Time, the Premises cannot, with reasonable diligence, be fully repaired by Tenant within twenty-four (24) months after the date of the damage or destruction; (iii) the Premises cannot be safely repaired because of the presence of hazardous factors, including, but not limited to, earthquake faults, chemical waste and other similar dangers; (iv) Substantial Destruction occurs during the last twenty-four (24) months of the Term; (v) an uncured Event of Default exists at the time Substantial Destruction or Partial Destruction occurs which is not cured within the cure period set forth in Article 15; or (vi) Tenant elects to terminate this Lease pursuant to Section 13.2.2.

13.2.2. Tenant's Right to Terminate. Tenant shall have the right to terminate this Lease if any of the following occurs: (i) if the damage or destruction occurs on or after the first (1st) day of the sixth (6th) year of the Term and, based upon the Estimated Repair Time, the Premises cannot, with reasonable diligence, be fully repaired by Tenant within twenty-four (24) months after the date of the damage or destruction; (ii) the Premises cannot be safely repaired because of the presence of hazardous factors, including, but not limited to, earthquake faults, chemical waste and other similar dangers; (iii) Substantial Destruction occurs during the last twenty-four (24) months of the Term; or (iv) insurance proceeds, together with additional amounts Landlord and Tenant agree to contribute under this Article XIII, are not confirmed to be available to Tenant, within ninety (90) days following the date of damage, sufficient to pay one hundred percent (100%) of the cost to fully repair the damaged Premises, provided that if Landlord delivers written notice to Tenant that it disputes Tenant's determination within ten (10) days after Tenant's Termination Notice for this Termination Condition, this Lease will not be terminated unless and until the matter of the sufficiency of insurance proceeds and the committed contribution for the necessary repair has been determined by Arbitration and Tenant and Landlord will make their respective required contributions within ten (10) days after the determination in such Arbitration.

13.2.3. Exercise of Termination Right. If a party elects to terminate this Lease and has the right to so terminate, such party will give the other party written notice of its election to terminate ("**Termination Notice**") within thirty (30) days after the occurrence of the applicable Termination Condition, and this Lease will terminate fifteen (15) days after the receiving party's receipt of such Termination Notice just as if such date were the expiration of the Term. If this Lease is terminated pursuant to Section 13.2, Landlord shall, subject to the rights of its lender(s), be entitled to receive and retain all the insurance proceeds resulting from such damage, including rental loss insurance, except for those proceeds payable under policies obtained by Tenant which specifically insure Tenant's Personal Property.

13.3. Repair Procedures. If neither party elects to terminate this Lease pursuant to the provisions of Section 13.2, then Tenant shall (a) submit its plans to repair such damage and reconstruct the Premises to Landlord for review and approval, which approval shall not be unreasonably withheld; (b) diligently and promptly, repair and rebuild the Premises to substantially the same condition that existed immediately prior to such damage or destruction, and in a manner that is consistent with the plans and specifications approved by Landlord; (c) obtain all permits and governmental approvals necessary to repair or reconstruct the Premises, included as required under the Act and the guidance and instruction of the Regulator; (d) cause all work to be performed only by qualified contractors that are reasonably approved by Landlord; (e) allow Landlord and its consultants and agents to enter the Premises at all reasonable times to inspect the Premises and Tenant's ongoing work and cooperate reasonably in good faith with their effort to ensure that the work is proceeding in a manner that is consistent with this Lease; (f) comply with all Laws and permits in connection with the performance of such work; (g) timely pay all of its consultants, suppliers, and other contractors in connection with the performance of such work; (h) notify Landlord if Tenant receives any notice of any default or any violation of any Law or any permit or similar notice in connection with such work; (i) deliver as-built plans for the Premises within thirty (30) days after the completion of such repair and restoration; (j) maintain or cause to be maintained the insurance described on **Exhibit C** of this Lease and (k) comply with such other conditions as Landlord may reasonably require. To the extent Tenant actually receives any insurance proceeds as the result of the casualty loss of any of Tenant's personal property and alterations for which Tenant Improvement Allowance was disbursed, Tenant shall replace or fully repair all of such Tenant's personal property and any alterations installed by Tenant existing at the time of such damage or destruction using such insurance proceeds. To the full extent permitted by law, Tenant shall indemnify, protect, defend and hold Landlord (and its employees and agents) harmless from and against any and all claims, costs, expenses, suits, judgments, actions, investigations, proceedings and liabilities arising out of or in connection with Tenant's obligations under this Article XIII, including, without limitation, any acts, omissions or negligence in the making or performance of any such repairs or replacements.

13.4. Application of Insurance Proceeds.Landlord shall cause the insurance proceeds on account of such damage or destruction (the "**Insurance Proceeds"**) to be held by an escrow agent reasonably acceptable to Landlord and Tenant under an escrow agreement reasonably acceptable to Landlord and Tenant and disbursed as follows:

13.4.1. Requirements. The escrow agent shall disburse from the available Insurance Proceeds from time to time in an amount not exceeding the cost of the work completed since the date covered by the last disbursement, upon receipt of (a) satisfactory evidence of the

stage of completion, of the estimated cost of completion and of performance of the work to date in a good and workmanlike manner in accordance with the contracts, plans and specifications, (b) reasonable assurance against mechanics' or materialmen's liens, accrued or incurred, as Landlord or its lenders may reasonably require, (c) contractors' and subcontractors' sworn statements, (d) a satisfactory bring-to-date of title insurance, (e) such other documents and instruments as Landlord or its lenders may reasonably require and (f) other reasonable evidence of cost and payment so that Landlord can verify that the amounts disbursed from time to time are represented by work that is completed, in place and free and clear of mechanics' lien claims.

13.4.2. Requests for Disbursements. Requests for disbursement shall be accompanied by a certificate of Tenant or Tenant's architect describing in detail the work for which payment is requested, stating the cost incurred in connection therewith and stating that Tenant has not previously received payment for such work; the certificate to be delivered by Tenant upon completion of the work shall, in addition, state that the work has been completed and complies with the applicable requirements of this Lease. Landlord may retain 10% of each requisition until the restoration is fully completed. In addition, Landlord may withhold from amounts otherwise to be paid to Tenant, any amount that is necessary in Landlord's reasonable judgment to protect Landlord from any potential loss due to work that is improperly performed or claims by Tenant's contractors and consultants. Landlord shall reasonably cooperate with Tenant in order to cause the escrow agent to disburse the insurance proceeds in accordance with this Article XIII.

13.4.3. Costs in Excess of Insurance Proceeds. In addition, prior to commencement of restoration and at any time during restoration, if the estimated cost of restoration, as determined by the evaluation of an independent engineer reasonably acceptable to Landlord and Tenant, exceeds the amount of the Insurance Proceeds, Tenant will provide evidence satisfactory to Landlord that the amount of such excess will be available to restore the Premises. Any Insurance Proceeds remaining upon completion of restoration shall be refunded to Tenant up to the amount of Tenant's payments pursuant to the immediately preceding sentence. If no such refund is required, any sum of Insurance Proceeds remaining upon completion of restoration shall be paid to Landlord. In the event Landlord and Tenant cannot agree on an independent engineer, an independent engineer designated by Tenant and an independent engineer designated by Landlord shall within five (5) business days select an independent engineer licensed to practice in the state in which the Premises is located who shall resolve such dispute within ten (10) business days after being retained by Landlord. All fees, costs and expenses of such third engineer so selected shall be shared equally by Landlord and Tenant.

13.5. Abatement of Rent. In the event of repair, reconstruction and restoration as provided in this Article XIII, all Rent to be paid by Tenant under this Lease shall be abated proportionately based on the square footage of the Premises rendered unfit for the Permitted Use during the repair, reconstruction and restoration. Tenant shall not otherwise be entitled to any compensation or damages from Landlord for loss of the use of the Premises, damage to Tenant's personal property or any inconvenience occasioned by such damage, repair or restoration.

13.6. Waiver.Landlord and Tenant each waive the provisions of all applicable existing or future Laws permitting the termination of a lease agreement in the event of damage or destruction under any circumstances other than as provided in Section 13.2.

Eminent Domain

14.1. **Substantial Taking**. If all or a substantial part of the Premises are taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain or by purchase in lieu thereof, and the taking would prevent or materially interfere with Tenant's Permitted Use of the Premises, then either Landlord or Tenant may terminate this Lease upon notice to the other party within ninety (90) days of the taking, and the Rent shall be abated during the unexpired portion of the Term effective on the date physical possession is taken by the condemning authority. If either party to this Lease reasonably determines that the amount of any award it would receive for such taking, together with additional amounts either party agrees to contribute, would be insufficient to fund the performance of the restoration obligations pursuant to Section 14.2, either party may terminate this Lease upon notice to the other party within ninety (90) days of the taking and Rent shall be abated during the unexpired portion of the Term effective on the date physical possession is taken by the condemning authority, provided that if either party delivers written notice to the other party that it disputes the determination within ten (10) days after any notice of termination, this Lease will not be terminated unless and until the matter of the sufficiency of award proceeds and the committed contribution for the necessary restoration has been determined by Arbitration and Tenant and Landlord will make their respective required contributions within ten (10) days after the determination in such Arbitration.

14.2. **Partial Taking**. In the event a portion of the Premises shall be taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain or by purchase in lieu thereof, and this Lease is not terminated as provided in Section 14.1, all of the terms of this Lease shall continue in full operative force and effect, except that the Base Rent during the unexpired portion of the Term shall be reduced in proportion to the value of the Premises taken, and Tenant shall, at Tenant's sole cost and expense, restore and reconstruct the Building and other improvements at the Premises to the extent necessary to restore the same for the use of the Premises for the Permitted Use. Landlord shall hold any condemnation proceeds it actually receives in connection with such taking of any portion of the Premises (the "**Award**") and disburse the Award pursuant to the terms of Section 13.4, substituting "Award" for "Insurance Proceeds".

14.3. **Tenant's Claim**. In the event of any total, substantial or partial takings described in Sections 14.1 and 14.2, Tenant shall have the right to make a separate claim with the condemning authority for, and to receive therefor (and shall be entitled to any portion of Landlord's award relating to), (a) any moving expenses incurred by Tenant as a result of such condemnation; (b) any costs incurred or paid by Tenant in connection with any Alterations made and paid for by Tenant to the Premises, (c) the value of any of Tenant's Personal Property taken; (d) Tenant's loss of business income; and (e) any other separate claim which Tenant may hereafter be permitted to make under any Law.

ARTICLE XV.

Defaults and Remedies

15.1. **Covenants and Conditions**. Time is of the essence in the performance of all covenants and conditions.

15.2. Events of Default. Tenant shall be in material default under this Lease if any one or more of the following events (herein sometimes referred to individually as an "Event of Default" and collectively as "Events of Default") shall occur and shall not be timely remedied as herein provided:

15.2.1. If Tenant fails to make any payment of Rent due under this Lease or any part thereof when and as the same shall become due and payable; provided that Landlord shall have first given Tenant five (5) Business Days' prior written notice and opportunity to cure the same, with no cure having been made within such five (5) Business Day period. Notwithstanding the foregoing, after receiving two (2) such written notices within a twelve (12) month period, Tenant's third (3rd) failure or any failure thereafter to pay Rent within the same twelve (12) month period will not be entitled to receive any notice thereof before an Event of Default exists hereunder.

15.2.2. If Tenant fails to make any payment of any other sum or charge payable under this Lease (other than Rent) when and as the same shall become due and payable and such default continues for a period of ten (10) days after receipt by Tenant of written notice from Landlord specifying the default.

15.2.3. If Tenant fails to observe or perform of any of the other covenants, agreements, or conditions of this Lease on the part of Tenant to be kept and performed and such default continues for a period of thirty (30) days after written notice thereof from Landlord to Tenant; provided, however, that with respect to any default (other than a default which can be cured by the payment of money) that cannot be reasonably cured within said thirty (30) day period, Tenant shall have an additional reasonable period of time to cure such default, provided that Tenant commences to cure within said thirty (30) days, Tenant is using commercially reasonable efforts to cure the default and Tenant actually cures the default within one hundred twenty (120) days after Landlord's notice.

15.2.4. If Tenant files a petition in bankruptcy or is adjudicated as bankrupt, or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief for itself under any present or future Law, or makes an assignment for the benefit of creditors, or if any trustee, receiver, or liquidator of Tenant or of all or any substantial part of its properties or of the Premises shall be appointed in any action, suit, or proceeding by or against Tenant and such proceeding or action shall not have been dismissed within ninety (90) days after such filing or appointment.

15.2.5. If Tenant vacates, abandons, or otherwise ceases business operations at the Premises, and such vacation, abandonment or cessation of business operations continues for six (6) months. Notwithstanding the foregoing, Tenant shall not be deemed to have abandoned, vacated or otherwise ceased business operation at the Premises when and to the extent that the Premises are untenantable by reason of damage by fire, other casualty, or condemnation and to the extent Tenant cannot reasonably operate at the Premises due to its performance of any Tenant Work or construction of other Alterations at the Premises or the construction of other Alterations.

15.2.6. If any judgment (whether final or not) is entered that has the effect (whether by restraining order, injunction, declaration, or otherwise) of establishing that the Tenant's use of the Premises constitutes a violation of Law.

15.2.7. If at any time an Event of Default under the terms of Section 15.2.1 exists under the terms of two (2) or more of the Other Leases (or if an Event of Default under the terms of Section 15.2.1 exists under this Lease and an Event of Default under the terms of Section 15.2.1 exists under any one (1) Other Lease).

15.3. Remedies. In the event of any Event of Default set forth in Section 15.2 hereof, Landlord may, at its option, exercise any and all of the remedies listed below. No such remedy herein or otherwise conferred upon or reserved to Landlord shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at Law or in equity, and every power and remedy given by the Lease to Landlord may be exercised from time to time and as often as the occasion may rise or may be deemed expedient.

15.3.1. Landlord may, without terminating this Lease, enter upon the Premises, without being liable for prosecution or any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease, in which event Tenant shall reimburse Landlord on demand for any expenses which Landlord may incur in complying with Tenant's obligation under this Lease, and Landlord shall not be liable for any damages resulting to Tenant from such action, unless caused by the gross negligence of Landlord.

15.3.2. Landlord may, if it elects to do so, bring suit for the collection of rents and/or any damages resulting from Tenant's default without entering into possession of the Premises or voiding this Lease.

15.3.3. Landlord may terminate this Lease after thirty (30) days' written notice to Tenant and this Lease shall terminate on the date specified in such notice. Tenant shall quit and surrender the Premises by said date, failing which, Landlord may enter upon the Premises immediately or at any subsequent time without additional notice or demand (which additional notice or demand is hereby expressly waived by Tenant) without being liable for prosecution of any claim for damages therefor, and expel Tenant and those claiming under Tenant and remove their effects without being guilty of any manner of trespass. Tenant agrees that if Landlord shall cause Tenant's goods or effects to be removed from the Premises pursuant to the terms hereof or of any court order, Landlord's act of so removing such goods or effects shall be deemed to be the act of and for the account of Tenant.

15.3.4. In the event of such termination: (i) Landlord may accelerate and declare the entire remaining unpaid Rent and any and all other monies payable under this Lease for the balance of the Term hereof to be immediately due and payable; or (ii) Landlord may collect from Tenant, as liquidated damages: (A) all past due Rent and other amounts due Landlord up to the date of expiration or termination; plus (B) the difference between Rent provided for herein and the proceeds from any re-letting of the Premises, payable in monthly installments over the period that would otherwise have constituted the remaining term of this Lease; plus (C) all expenses in connection with such re-letting including, without limitation, all costs, fees, and expenses of repossession, brokers, advertising, attorneys, courts, repairing, cleaning, repainting, and remodeling of the Premises for re-letting.

15.3.5. Without waiving its rights to terminate at any time as provided above, Landlord may retake possession of the Premises in the same manner as provided in Section 15.3.1. It is agreed that any such retaking or the commencement and prosecution of any action by Landlord in forcible entry and detainer, ejectment, or otherwise, or any execution of any judgment or decree obtained in any action to recover possession of the Premises shall not be construed as an election to terminate this Lease unless Landlord expressly exercises its option hereinbefore provided to declare the Term hereof ended, whether or not such entry or reentry be, had or taken under summary proceedings or otherwise, and shall not be deemed to have absolved or discharged Tenant from any of its obligations and liabilities for the remainder of the current Term of the Lease; rather, this Lease shall continue in effect for the remainder of the then current Term, and Tenant shall remain liable and obligated under all of the covenants and conditions hereof during the said period and shall pay as and when due the Rent and other amounts payable hereunder as if Tenant had not defaulted. Landlord may re-lease the Premises for the account of Tenant, crediting the rent received on such re-leasing first to the costs of such re-leasing and then to any other amounts owing by Tenant hereunder. Tenant hereby constitutes and appoints Landlord as its attorney-in-fact to take any and all actions necessary or incidental to such re-leasing and this power shall be irrevocable during the Term of this Lease. Such continuance of this Lease shall not constitute any waiver or consent by Landlord of or to said default or any subsequent default.

15.3.6. In the event of an Event of Default under the terms set forth in Sections 15.2.1, 15.2.4 and 15.2.7 of this Lease, Landlord may apply the Security Deposit from this Lease or any Other Lease to any amount Landlord may be entitled to as a result of such Event of Default.

15.4. Landlord's Damages. In addition to the foregoing remedies and regardless of which remedies Landlord pursues, Tenant covenants that it will indemnify Landlord from and against any loss and damage directly or indirectly sustained by reason of any termination resulting from any Event of Default as provided above or the enforcement or declaration of any rights and remedies of Landlord or obligations of Tenant, whether arising under this Lease or granted, permitted, or imposed by Law or otherwise. Landlord's damages hereunder shall include, but shall not be limited to, any loss of Rent prior to or after re-leasing the Premises, broker's or salesperson's commissions, advertising costs, costs of repairing and remodeling the Premises for re-leasing, moving, and storage charges incurred by Landlord in moving Tenant's property and effects, and legal costs and reasonable attorneys' fees incurred by Landlord in any proceedings resulting from Tenant's default, collecting any damages hereunder, obtaining possession of the Premises by summary process or otherwise or re-leasing the Premises, or the enforcement or declaration of any of the rights or remedies of Landlord or obligations of Tenant, whether arising under this Lease or granted, permitted, or imposed by Law or otherwise. In the event that any court or governmental authority shall limit any amount which Landlord may be entitled to recover under this paragraph, Landlord shall be entitled to recover the maximum amount permitted under Law. Nothing in this paragraph shall be deemed to limit Landlord's recovery from Tenant of the maximum amount permitted under Law or of any other sums or damages which Landlord may be entitled to so recover in addition to the damages set forth herein. Notwithstanding the foregoing, Landlord shall use commercially reasonable efforts to mitigate Landlord's damages under this Lease.

15.5. Non-Waiver of Defaults. No delay or omission of Landlord to execute any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein. No waiver of any breach of any of the covenants of this Lease shall be construed, taken, or held to be a waiver of any other breach,

waiver, or acquiescence in, or consent to, any further or succeeding breach of the same covenant. Receipt by Landlord of less than the full amount due from Tenant shall not be construed to be other than a payment on account of the amounts then due, nor shall any statement on Tenant's check or any letter accompanying Tenant's payment be deemed an accord and satisfaction, and Landlord may accept such payment as a partial payment only. The rights herein given to receive, collect, sue, or distrain for any rent or rents, monies, or payments, or to enforce the terms, provisions, and conditions of this Lease, or to prevent the breach or nonobservance thereof, or the exercise of any such right (or of any other right or remedy hereunder), or otherwise granted or arising, shall not in any way affect or impair or take away the right or power of Landlord to declare the Term hereby granted ended and to terminate this Lease as herein provided because of any default in or breach of any of the covenants, provisions, or conditions of this Lease.

ARTICLE XVI.

Protection of Lenders

16.1. **Subordination**. In accordance with the terms of any SNDA (defined below) entered into by Tenant, Tenant agrees that this Lease and Tenant's rights hereunder are and shall be subordinate and inferior to any ground lease, deed of trust, or mortgage encumbering all or any portion of the Premises, any advances made on the security thereof and any renewals, modifications, consolidations, replacements, or extensions thereof, whenever made or recorded. Landlord, each Landlord mortgagee and Tenant shall be required to sign a commercially reasonable form of subordination, non-disturbance and attornment agreement (an "**SNDA**") with respect to the subordination of this Lease described in the immediately preceding sentence and delivery and execution of such SNDA shall be a condition precedent to Tenant's subordination as described in the preceding provision of this Section. If any ground lessor, beneficiary, or mortgagee elects to have this Lease rank prior to the lien of its ground lease, deed of trust, or mortgage, and gives written notice thereof to Tenant, this Lease shall be deemed prior to such ground lease or mortgage whether this Lease is dated prior or subsequent to the date of said ground lease, or mortgage or the date of recording thereof. The provisions of this Section 16.1 shall be self-operative and no further instrument shall be required to cause the provisions of this Section 16.1 to be effective.

16.2. **Attornment**. If Landlord's interest in the Premises is acquired by any ground lessor, beneficiary under a deed of trust, mortgage, mortgagee, or purchaser at a foreclosure sale, Tenant shall attorn to the transferee of or successor to Landlord's interest in the Premises and shall recognize such transferee or successor as Landlord under this Lease. Tenant waives the protection of any statute or rule of Law which gives or purports to give Tenant any right to terminate the Lease or surrender possession of the Premises upon the transfer of Landlord's interest.

16.3. **Estoppel Certificates**. Upon the request of either party hereto (such party, the "**Requesting Party**"), the party receiving such request (the "**Non-Requesting Party**") shall execute, acknowledge, and deliver to the Requesting Party a written statement certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been cancelled or terminated; (iii) the last date of payment of Base Rent, Additional Rent, and any other charges and the time period covered by such payment; (iv) that the Requesting Party is not in default under this Lease (or, if

the Requesting Party is claimed to be in default, stating why); and (v) such other matters as may be reasonably required by the Requesting Party or the holder of a mortgage or lien to which the Premises is or becomes subject. The Non-Requesting Party shall deliver such statement to the Requesting Party within ten (10) days after the Requesting Party's request or the Non-Requesting Party shall be in default under this Lease. Any such statement by the Non-Requesting Party may be given by the Requesting Party to any prospective purchaser or encumbrancer of the Premises. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct. Unless the Requesting Party has received a written statement to the contrary within such ten (10) day period, Requesting Party, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (A) that the terms and provisions of this Lease have not been changed except as otherwise represented by Requesting Party; (B) that this Lease has not been cancelled or terminated except as otherwise represented by Requesting Party; (C) unless provided otherwise, that not more than one month's Base Rent, Additional Rent, or other charges have been paid in advance; and (D) that Requesting Party is not in default under the Lease. In such event, Tenant shall be estopped from denying the truth of such facts.

ARTICLE XVII.

Waiver of Claims

Tenant agrees that, to the extent not expressly prohibited by Law, Landlord and its lenders, officers, agents, servants, and employees shall not be liable for (nor shall Rent abate as a result of) any direct or consequential damage (including damage claimed for actual or constructive eviction) either to person or property sustained by Tenant, its subtenants, assigns, officers, servants, employees, agents, invitees, or guests due to the Premises or any part thereof becoming out of repair, or due to the happening of any accident in or about said Premises, or due to any act or neglect of any tenant or occupant of said Building or of any other person. This provision shall apply particularly (but not exclusively) to damage caused by water, snow, frost, steam, sewage, gas, electricity, sewer gas, or odors or by the bursting, leaking, or dripping of pipes, faucets, and plumbing fixtures, and shall apply without distinction as to the person whose act or neglect was responsible for the damage and whether the damage was due to any of the causes specifically enumerated above or to some other cause of an entirely different kind. Tenant further agrees that all of Tenant's Improvements, trade fixtures, equipment, and all other Personal Property in the Premises shall be at the risk of Tenant only, and that Landlord shall not be liable for any loss or damage thereto or theft thereof. Notwithstanding the foregoing, Landlord shall not hereby be exculpated from any liability arising solely from Landlord's, Landlord Parties', and/or Landlord's agents' gross negligence or intentional misconduct.

ARTICLE XVIII.

Waiver of Notice

Except as otherwise provided pursuant to the terms and provisions of this Lease, Tenant hereby expressly waives the service of: (a) any notice of intention to terminate this Lease or to re-enter the Premises; (b) any demand for payment of Rent or for possession of the Premises; and (c) any other notice or demand prescribed by any Law.

ARTICLE XIX.

Notices

Any and all notices, requests, demands or other communications hereunder shall be deemed to have been duly given if in writing and if transmitted by hand delivery with receipt therefor, by e-mail delivery, by overnight courier, or by registered or certified mail, return receipt requested, first class postage prepaid addressed as follows (or to such new address as the addressee of such a communication may have notified the sender thereof) (the date of such notice shall be the date of actual delivery to the recipient thereof):

To Landlord:	c/o NewLake Capital 549 W. Randolph, Suite 200 Chicago, IL Attn: Jarrett Annenberg Email: jannenberg@newlake.com
With a copy to:	Dickinson Wright PLLC 150 E. Gay Street Suite 2400 Columbus, OH 43215 Attn: Scot C. Crow Email: SCrow@dickinsonwright.com Email: CFerguson@dickinsonwright.com
To Tenant:	Columbia Care 321 Billerica Rd Chelmsford, MA 01824 Attn: Lars Boesgaard Email: lboesgaard@col-care.com
With a copy to:	Weil Gotshal & Manges LLP 767 Fifth Avenue New York, NY 10153 Attn: W. Michael Bond Email: Michael.Bond@Weil.com

ARTICLE XX.

Brokers

20.1. **No Brokers**. Tenant and Landlord each represent and warrant to the other that there are no brokers, agents, finders, or other parties with whom either party has dealt who are or may be entitled to any commission or fee with respect to this Lease or the Premises. Landlord and Tenant each agree to indemnify and hold the other and the other's officers, directors, persons, agents, and representatives harmless from and against any and all liabilities, damages, claims,

costs, fees, and expenses whatsoever (including, without limitation, reasonable attorneys' fees and costs at all trial and appellate levels) resulting from any other broker, agent, or other person claiming a commission or other form of compensation by virtue of having dealt with the indemnifying party with regard to this leasing transaction. The provisions of this Section shall survive the expiration or other termination of this Lease.

ARTICLE XXI.

Quiet Enjoyment

Landlord agrees that Tenant, on paying the Rent and other payments herein reserved and on keeping, observing, and performing all of the other terms, covenants, conditions, provisions, and agreements contained in this Lease on the part of Tenant to be kept, observed, and performed, shall, during the Term of this Lease, peaceably and quietly have, hold, and enjoy the Premises subject to the terms, covenants, conditions, provisions, and agreements hereof, free from hindrance by Landlord or any other person claiming by, through, or under Landlord.

ARTICLE XXII.

End of Term

22.1. **Holding Over**. Any holding over by Tenant after the expiration or termination of this Lease, by lapse of time or otherwise, shall not operate to extend or renew this Lease except by the express mutual written agreement between Landlord and Tenant, and in the absence of such agreement, Tenant shall continue in possession as a month-to-month tenant only, except that the monthly Rent shall be increased to an amount calculated as follows: (a) for the first thirty (30) days of any holdover period, one hundred twenty-five percent (125%) of the monthly installment of Base Rent and Additional Rent paid in the month immediately preceding the expiration or termination of this Lease; (b) for the next thirty days of such holdover period, one hundred fifty percent (150%) of the monthly installment of Base Rent and Additional Rent paid in the month immediately preceding the expiration or termination of this Lease; and (c) thereafter, two hundred percent (200%) of the monthly installment of Base Rent and Additional Rent paid in the month immediately preceding the expiration or termination of this Lease. During any period of holding over by Tenant pursuant to this Section, if Landlord delivers written notice to Tenant of a bona fide offer from a Third Party to lease the Premises and Tenant fails to vacate the Premises within thirty (30) days of such notice, Landlord shall be entitled to indirect and consequential damages against Tenant, in addition to any other damages Landlord may be otherwise entitled to under the terms of this Lease and as otherwise provided by Law. Notwithstanding the foregoing, nothing in this Section 22.1 shall be deemed to give Tenant a right to possession of the Premises after the expiration or earlier termination of this Lease, nor shall it serve as a waiver of any Event of Default relating to Tenant's failure to vacate the Premises.

ARTICLE XXIII.

Miscellaneous Provisions

23.1. Governing Law; Venue.

23.1.1. The Laws of the State shall govern the validity, performance, and enforcement of this Lease. Tenant consents to personal jurisdiction and venue in the State. The courts of the State will have exclusive jurisdiction and Tenant hereby agrees to such exclusive jurisdiction.

23.1.2. Notwithstanding anything in this Lease to the contrary:

(i) The parties hereto agree and acknowledge that no party makes, will make, or shall be deemed to make or have made any representation or warranty of any kind regarding the compliance of this Lease with any Federal Cannabis Laws; and

(ii) No party hereto shall have any right of rescission or amendment arising out of or relating to any non-compliance with Federal Cannabis Laws unless such non-compliance also constitutes a violation of applicable state law as determined in accordance with the Act or by the Regulator, and no party shall seek to enforce the provisions hereof in federal court unless and until the parties have reasonably determined that the Act is fully compliant with Federal Cannabis Laws.

23.2. Entire Agreement; Waivers. This Lease forms the entire agreement between Landlord and Tenant and no provision hereof shall be altered, waived, amended, or extended, except in a writing signed by both parties. Tenant affirms that, except as expressly set forth herein, neither Landlord nor any of its agents has made, nor has Tenant relied upon, any representation, warranty, or promise with respect to the Premises or any part thereof. Landlord shall not be considered to have waived any of the rights, covenants, or conditions of this Lease unless evidenced by its written waiver and the waiver of one default or right shall not constitute the waiver of any other. The acceptance of rent shall not be construed to be a waiver of any breach or condition of this Lease.

23.3. Successors. The provisions of this Lease shall be binding upon and inure to the benefit of Landlord and Tenant, respectively, and their respective successors, assigns, heirs, executors, and administrators. Tenant agrees to become the tenant of Landlord's successor in interest under the same terms and conditions of its tenancy hereunder.

23.4. Partial Invalidity. If any clause or provision of this Lease is found to be illegal, invalid, or unenforceable under present or future laws, the remainder of this Lease shall not be affected thereby and there shall be added as part of this Lease a replacement clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and still be legal, valid, and enforceable.

23.5. Relationship of the Parties. Landlord and Tenant agree that the relationship between them is that of landlord and tenant and that Landlord is leasing space to Tenant. It is not the intention of the parties, nor shall anything herein be constructed to constitute Landlord as a partner or joint venturer with Tenant, or as a "warehouseman" or a "bailee."

23.6. Headings. The headings as to the contents of particular paragraphs herein are intended only for convenience and are in no way to be constructed as a part of this Lease or as a limitation of the scope of the particular paragraphs to which they refer.

23.7. **Survival of Obligations**. All obligations of Tenant or Landlord hereunder not fully performed as of the expiration or earlier termination of the Term of this Lease shall survive the expiration or earlier termination of the Term hereof.

23.8. **Independent Covenants**. Tenant's covenants to pay Rent and other sums due hereunder are independent of Landlord's covenants hereunder and Tenant shall have no right to withhold any such payments on account of any alleged failure by Landlord to perform or comply with any of Landlord's covenants.

23.9. **Limitation of Liability**. Anything in the Lease to the contrary notwithstanding, any judgment obtained against Landlord in connection with this Lease or the subject matter hereof shall be limited solely to Landlord's interest in the Premises and any proceeds from the sale thereof and shall be absolutely nonrecourse with respect to Landlord personally and all other assets of Landlord. Anything in this Lease to the contrary notwithstanding, the term "Landlord'' shall be limited to mean and include only the then owner of the Premises, or tenant under any underlying or ground lease of the Premises, and not any predecessor owner or tenant.

23.10. **Authority**.

23.10.1. Tenant makes the following representations to Landlord, on which Landlord is entitled to rely in executing this Lease: (i) Tenant is a limited liability company duly organized and existing under the laws of the jurisdiction in which it was organized, and is qualified to do business in the State and has the power to enter into this Lease and the transactions contemplated hereby and to perform its obligations hereunder; (ii) by proper resolution the signatory hereto has been duly authorized to execute and deliver this Lease; and (iii) the execution, delivery, and performance of this Lease and the consummation of the transactions herein contemplated shall not conflict with or result in a violation or breach of, or default under Tenant's organizational or governing documents, as amended, or any indenture, mortgage, note, security agreement, or other agreement or instrument to which Tenant is a party or by which it is bound or to which any of its properties is subject.

23.10.2. Landlord makes the following representations to Tenant, on which Tenant is entitled to rely in executing this Lease: (i) Landlord is a limited liability company duly organized and existing under the laws of the jurisdiction in which it was organized, and has the power to enter into this Lease and the transactions contemplated hereby and to perform its obligations hereunder; (ii) by proper resolution the signatory hereto has been duly authorized to execute and deliver this Lease; and (iii) the execution, delivery, and performance of this Lease and the consummation of the transactions herein contemplated shall not conflict with or result in a violation or breach of, or default under Landlord's organizational or governing documents, as amended, or any indenture, mortgage, note, security agreement, or other agreement or instrument to which Landlord is a party or by which it is bound or to which any of its properties is subject.

23.11. **Compliance with Laws**. Tenant shall comply at its cost and expense with all Laws and with any direction or recommendation of any public officer or officers, pursuant to Law, or any reasonable request of any insurance company carrying any insurance on the Premises, and any insurance inspection or rating bureau which shall impose any duty upon Landlord or Tenant with respect to the Premises or the use or occupation thereof, and shall bear all costs of any kind or

nature whatsoever occasioned by or necessary for compliance with the same, provided such costs or expenses arise from Tenant's specific use of the Premises. If, during the Term of this Lease any Law requires that an alteration, repair, addition, or other change be made to the Premises, and such alteration, repair, addition, or other change is a result of Tenant's specific use of the Premises, such work will be performed at Tenant's expense.

23.12. **Waiver of Jury Trial**. LANDLORD AND TENANT KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER PARTY AGAINST THE OTHER IN ANY MATTER ARISING OUT OF THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE.

23.13. **Landlord's Lien Waiver**. It is contemplated that certain Personal Property now or hereafter installed by Tenant in the Premises is or may be either leased by Tenant or purchased by Tenant from a lessor or conditional seller, or otherwise hypothecated to a Third Party. All of Tenant's Personal Property, now or hereafter located upon the Premises and owned by Tenant or any Third Party, and regardless of the method in which such Personal Property is attached or affixed to the Premises, shall not be deemed a fixture of the real estate and shall be and remain the Personal Property of Tenant or such Third Party. All such Personal Property of Tenant or any Third Party is herein referred to collectively as "**Tenant's Equipment**." Tenant or any Third Party shall have the right to remove Tenant's Equipment from the Premises from time to time; provided, however, that if such removal shall injure or damage the Premises, Tenant shall repair the damage and place the Premises in the same condition as it would have been if such equipment had not been installed. Landlord hereby waives its rights, statutory or otherwise, to any lien on Tenant's Equipment. Landlord shall, upon request of Tenant or any Third Party, execute, or cause to be executed, a commercially reasonable waiver of landlord's lien or mortgagee's lien on any of Tenant's Equipment.

23.14. **Counterparts**. This Lease may be executed in any number of counterparts (including digital counterparts), each of which when so executed and delivered shall be deemed an original for all purposes, and all such counterparts shall together constitute but one and the same instrument.

23.15. **Patriot Act**. Tenant hereby represents and warrants to Landlord that Tenant: (i) is in compliance with the Office of Foreign Assets Control sanctions and regulations promulgated under the authority granted by the Trading with the Enemy Act, 12 U.S.C. § 95(a) et seq., and the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq., as the same apply to it or its activities; (ii) is in compliance with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended from time to time (the "**Patriot Act**") and all rules and regulations promulgated under the Patriot Act applicable to Tenant; and (iii) (A) is not now, nor has ever been, under investigation by any governmental authority for, nor has been charged with or convicted of a crime under 18 U.S.C. §§ 1956 or 1957 or any predicate offense thereunder; (B) has never been assessed a civil penalty under any anti-money laundering laws or predicate offenses thereunder; (C) has not had any of its funds seized, frozen, or forfeited in any action relating to any anti-money laundering laws or predicate offenses thereunder; (D) has taken such steps and implemented such policies as are reasonably

necessary to ensure that it is not promoting, facilitating, or otherwise furthering, intentionally or unintentionally, the transfer, deposit, or withdrawal of criminally derived property, or of money or monetary instruments which are (or which Tenant suspects or has reason to believe are) the proceeds of any illegal activity or which are intended to be used to promote or further any illegal activity; and (E) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is in compliance with all laws and regulations applicable to its business for the prevention of money laundering and with anti-terrorism laws and regulations, with respect both to the source of funds from its investors and from its operations, and that such steps include the development and implementation of an anti-money laundering compliance program within the meaning of Section 352 of the Patriot Act, to the extent such a party is required to develop such a program under the rules and regulations promulgated pursuant to Section 352 of the Patriot Act. Neither Tenant nor any other person owning a direct or indirect, legal, or beneficial interest in Tenant is in violation of the Executive Order or the Patriot Act. Neither Tenant nor any of its respective constituents, investors (direct or indirect and whether or not holding a legal or beneficial interest) or affiliates, acting or benefiting, directly or indirectly, in any capacity in connection with Landlord and/or the Premises or this Agreement or any of the transactions contemplated hereby or thereby, is: (1) listed in the Annex to, or otherwise subject to the provisions of, that certain Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (the "**Executive Order**"); (2) named as a "specifically designated national (SDN)" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website (http://www.treas.gov.ofac/t11sdn.pdf) or at any replacement website or other replacement official publication of such list or that is named on any other governmental authority list issued post 9/11/01; (3) acting, directly or indirectly for terrorist organizations or narcotics traffickers, including those persons that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Financial Action Task Force on Money Laundering, U.S. Office of Foreign Assets Control, U.S. Securities and Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, all as may be amended or superseded from time to time; or (4) owned or controlled by, or acting for or on behalf of, any person described in clauses (1), (2), or (3) above (a "**Prohibited Person**"). None of the funds or other assets of the Tenant constitute property of, or are beneficially owned, directly or indirectly, by any person, entity, or government subject to trade restrictions under U.S. Law, including but not limited to: (x) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq.; (y) The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq.; and (z) any Executive Orders or regulations promulgated thereunder, with the result that sale by Tenant or other Persons (whether directly or indirectly), is prohibited by Law (an "**Embargoed Person**"). No Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly); and none of the funds of Tenant have been derived from any unlawful activity with the result that an investment in Tenant (whether directly or indirectly) or sale by Tenant, is prohibited by Law or that execution, delivery, and performance of this Lease or any of the transactions or other documents contemplated hereby or thereby is in violation of Law.

23.16. **Cannabis Law Compliance**. This Lease is subject to strict requirements for ongoing regulatory compliance by the parties hereto, including, without limitation, requirements that the parties take no action in violation of either the Act or the guidance or instruction of the Regulator. The parties acknowledge and understand that the Act and/or the requirements of the Regulator are subject to change and are evolving as the marketplace for state-compliant cannabis

businesses continues to evolve. If necessary or desirable to comply with the requirements of the Act and/or the Regulator, the parties hereby agree to (and to cause their respective affiliates and related parties and representatives to) use their respective commercially reasonable efforts to take all actions reasonably requested to ensure compliance with the Act and/or the Regulator, including, without limitation, negotiating in good faith to amend, restate, amend and restate, supplement, or otherwise modify this Agreement to reflect terms that most closely approximate the parties' original intentions but are responsive to and compliant with the requirements of the Act and/or the Regulator. In furtherance, not limitation of the foregoing, the parties further agree to cooperate with the Regulator to promptly respond to any informational requests, supplemental disclosure requirements, or other correspondence from the Regulator and, to the extent permitted by the Regulator, keep all other parties hereto fully and promptly informed as to any such requests, requirements, or correspondence, including, but not limited to, delivering a copy of any correspondence received from the Regulator to the other party within three (3) business days of receipt. Notwithstanding anything in this Lease to the contrary, Tenant will not, without Landlord's prior written consent, take any action (i) which would be commercially reasonably expected to materially affect the validity or applicability of the License to the Tenant and the Premises or (ii) affecting or attempting to affect the transfer or applicability of the License to any Person other than the Tenant or real property other than the Premises.

23.17. **Financial Statements; Disclosures**. Tenant shall deliver or cause the following to be delivered to Landlord during the Term:

23.17.1. If the Guarantor or its parent entity is not controlled by a public company, within forty-five (45) days after the end of each calendar quarter, unaudited quarterly consolidated financial statements of Tenant for such calendar quarter, certified by an officer of Tenant.

23.17.2. If the Guarantor or its parent entity is not controlled by a public company, within one-hundred and twenty (120) days after the end of each calendar year, a certified copy of Tenant's and each Guarantor's audited year-end consolidated financial statements for the previous year. Tenant and each Guarantor represent and warrant that all financial statements, records and information furnished by Tenant and each Guarantor to Landlord in connection with this Lease are true, correct and complete in all respects.

23.17.3. Within two (2) days of receipt by Tenant or its Affiliate, a copy of any notice from any governmental authority alleging or reporting that the Property, the Tenant and/or any Guarantor has failed to comply with any Laws.

23.17.4. Within two (2) days of the date on which Tenant has knowledge of the same, written notice of any pending or threatened claim, demand or lawsuit affecting the Property, the Tenant and/or any Guarantor which could be reasonably expected to result in aggregate monetary obligations (including costs and expenses) of Tenant or any Guarantor in excess of One Hundred Thousand Dollars ($100,000.00) if ultimately adjudicated in favor of the party asserting such claim, demand or lawsuit.

23.17.5. Notwithstanding anything in this Agreement to the contrary, upon Landlord's request and at Landlord's sole cost and expense, for the period beginning on the

Commencement Date and ending on the date that is three (3) years after the Commencement Date, Tenant shall make the financial records with respect to the Premises and Tenant's operations at the Premises that are commercially reasonably necessary for Landlord (or its affiliate) to comply with the requirements of 17 C.F.R. § 210.3-14 (and any future amendment or replacement of such regulation) (collectively, the "**Records**") available to Landlord and its auditors for inspection, copying and audit by Landlord's designated accountants, at Landlord's sole expense. Tenant understands and acknowledges that Landlord may be required to file audited financial statements related to the Premises with the Securities and Exchange Commission (the "**SEC**") within seventy-one (71) days of the date Landlord makes its request for access to Tenant's records under this Section and agrees to provide the Records and any requested commercially reasonable representations and certifications to the Landlord's auditors, on a timely basis to facilitate Landlord's timely submission of such audited financial statements. The Landlord shall use its commercially reasonable efforts to minimize any interference with the operations of the Tenant and its subsidiaries (as applicable) in connection with the exercise of Landlord's rights under this Section. Notwithstanding the foregoing, in no event shall Tenant be required to disclose any information that would cause Tenant to violate any applicable law or regulation.

23.18. **Guaranty**. On or before the Commencement Date, Tenant shall deliver a guaranty agreement executed by each Guarantor in the form attached hereto as **Exhibit E**.

23.19. **Rights of First Offer**.

23.19.1. **Landlord's First Offer Rights**. Until the third (3rd) anniversary of the Commencement Date (but not thereafter) ("**Right of First Offer Period**"), Tenant will not sell nor will Tenant permit Guarantor or any Affiliate of Tenant or Guarantor (collectively with Tenant, the "**Restricted Sellers**") to sell any Other Property to a Person not Affiliated with Tenant or Guarantor without first delivering written notice to Landlord ("**Tenant's ROFO Notice**") of Tenant's desire and willingness to sell the Other Property. Upon receipt of Tenant's ROFO Notice, Landlord shall have a right of first offer to purchase the Other Property as provided in this Section 22.19.1. Landlord will have fifteen (15) days from the receipt of Tenant's ROFO Notice in which to either (a) respond with an offer to purchase the Other Property, setting forth the purchase price and the terms and conditions upon which Landlord is willing to purchase the Other Property and (if applicable) lease the Other Property back to Tenant ("**Landlord's Offer**") or (b) notify Tenant in writing that Landlord does not wish to exercise its rights under this Section. If Landlord submits Landlord's Offer within the fifteen (15) day period, the Restricted Seller that owns the Other Property and Landlord shall negotiate with each other for a period of forty-five (45) days thereafter in order to determine if Landlord and such Restricted Seller can agree on the principal terms of a transaction. If the parties fail to reach an agreement during such forty-five (45) day period, the Restricted Seller that owns the Other Property shall be deemed to have declined to accept Landlord's Offer. If Landlord and the Restricted Seller that owns the relevant Other Property agree upon the principal terms of a sale-leaseback within such forty-five (45) day period, Landlord and the Restricted Seller that owns the Other Property will negotiate with each other to determine if definitive documents for a transaction can be agreed upon within sixty (60) days thereafter. If so, Landlord and the Restricted Seller that owns the Other Property will enter into such definitive documents. If Landlord and the Restricted Seller that owns the Other Property fail to enter into definitive documents for a sale-leaseback of the Other Property within such sixty (60) day period for any reason whatsoever, then the relevant Restricted Seller may solicit, market and sell and/or

leaseback such Other Property on any terms whatsoever, provided the sale closes within 270 days after the date on which the Restricted Seller was permitted to go to market under the terms of this Section. If after the expiration of such 270-day period the Tenant does not close the sale of the Other Property to a Person not an Affiliate of Tenant or Guarantor, then Landlord's right of first offer shall be reinstated with full force and effect and such right of first offer shall continue to subsist during the remaining Right of First Offer Period.

23.19.2. Tenant's First Offer Rights. During the Right of First Offer Period, Landlord will not sell the Premises without first delivering written notice to Tenant ("**Landlord's ROFO Notice**") of Landlord's desire and willingness to sell the Premises to a third party. Upon receipt of Landlord's ROFO Notice, Tenant shall have a right of first offer to purchase the Premises as provided in this Section 22.19.2. Tenant will have fifteen (15) days from the receipt of Landlord's ROFO Notice in which to either (a) respond with an offer to purchase the Premises, setting forth the purchase price and the terms and conditions upon which Tenant is willing to purchase the Premises ("**Tenant's Offer**") or (b) notify Landlord in writing that Tenant does not wish to purchase the Premises. If Tenant submits Tenant's Offer within the fifteen (15) day period, Landlord and Tenant shall negotiate with each other for a period of forty-five (45) days thereafter in order to determine if Landlord and Tenant can agree on the principal terms of a sale. If the parties fail to reach an agreement during such forty-five (45) day period, Landlord shall be deemed to have declined to accept Tenant's Offer. If Landlord and Tenant agree upon the principal terms of a sale within such forty-five (45) day period, Landlord and Tenant will negotiate with each other to determine if definitive documents for a sale can be agreed upon within sixty (60) days thereafter. If so, Landlord and Tenant will enter into such definitive documents. If Landlord and Tenant fail to enter into definitive documents for a sale within such sixty (60) day period for any reason whatsoever, then Landlord may solicit, market and sell the Premises on any terms whatsoever, provided the sale closes within 270 days after the date on which Landlord was permitted to go to market under the terms of this Section. If after the expiration of such 270-day period the Landlord does not close the sale of the Premises to a Person not an Affiliate of Landlord, then Tenant's right of first offer shall be reinstated with full force and effect and such right of first offer shall continue to subsist during the remaining Right of First Offer Period.

23.19.3. Tenant's Default. At any time when an uncured Event of Default Exists: (i) Tenant's right of first offer shall not be exercisable and shall be deemed null and void and (ii) Landlord may freely sell the Premises without the obligation to offer Tenant the option to purchase the Premises under the terms of this Section.

23.20. Abandonment Termination Right. If Tenant abandons the Premises, Landlord shall have the right to terminate this Lease upon thirty (30) days written notice to Tenant. In such event, this Lease shall terminate as if such date were the expiration date of the Lease. The termination right in this Section shall be in addition to any other rights or remedies available to Landlord pursuant to this Lease or applicable Laws.

23.21. Restricted Area. During the time period starting on the Commencement Date and ending on the second anniversary of the Commencement Date, neither Landlord nor any Affiliate of Landlord will conduct any Speculative Activity in the Restricted Area.

23.22. Additional Lease Provisions. The terms and provisions of the Lease Terms Exhibit are explicitly incorporated into this Lease.

ARTICLE XXIV.

Renewal Lease Term

24.1. Renewal Option. Tenant and any Permitted Transferee or other assignee to which Landlord has consented (but no sublessee of Tenant, even if Landlord has consented to such sublease, unless Landlord explicitly consents to the assignment of the Renewal Option rights of Tenant in connection with such sublease, which consent may be withheld in Landlord's sole and absolute discretion), shall have the right to renew the Term of this Lease ("**Renewal Option**") for three (3) additional terms of five (5) year(s) (each, a "**Renewal Lease Term**"), commencing on the day following the expiration of the Primary Lease Term or the first Renewal Lease Term, provided that each of the following occurs:

24.1.1. Landlord receives notice of the exercise of the Renewal Option ("**Renewal Notice**") during the Primary Lease Term or the first Renewal Lease Term, as applicable.

24.1.2. No continuing and uncured Event of Default exists after the expiration of applicable notice and cure periods at the time that Tenant delivers its Renewal Notice, provided, however that if an uncured Event of Default exists on the date any Renewal Lease Term begins, Landlord shall have the right to terminate this Lease by delivering written notice to Tenant at any time prior to the date on which such Event of Default is cured.

24.2. Rent Payable During the Renewal Lease Term. The Base Rent rate payable during each Renewal Lease Term shall be 2.5% greater than the Base Rent payable for the last month of the expiring Primary Lease Term or first Renewal Lease Term, as applicable, and shall increase by 2.5% on each anniversary of the first day of the applicable Renewal Lease Term during the applicable Renewal Lease Term.

24.3. Renewal Amendment. If Tenant is entitled to and properly exercises its Renewal Option, Landlord shall prepare an amendment ("**Lease Renewal Amendment**") to reflect the changes in the Base Rent, the Expiration Date, and other appropriate terms subject to Tenant's reasonable approval. The renewal rights of Tenant hereunder may be exercised by a Permitted Transferee pursuant to a Permitted Transfer.

(Signatures on following page(s))

IN WITNESS WHEREOF, the parties hereto have executed this Lease to be effective as of Effective Date.

LANDLORD:

NLCP 156 LINCOLN MA, LLC,
a Massachusetts limited liability company

By: NewLake Capital Partners Operating Partnership, LP
Its: Sole Member

By: NEWLAKE CAPITAL PARTNERS OP GP, LLC
Its: General Partner

By: NewLake Capital Partners, Inc.
Its: Sole Member

By: /s/ Anthony Coniglio
Name: Anthony Coniglio
Title: CEO

TENANT:

PATRIOT CARE CORP.
a Massachusetts nonprofit corporation

By: _____
Name: Nicholas Vita
Title: President

By: _____
Name: Lars Boesgaard
Title: Treasurer

IN WITNESS WHEREOF, the parties hereto have executed this Lease to be effective as of Effective Date.

LANDLORD:

NLCP 156 LINCOLN MA, LLC,
a Massachusetts limited liability company

By: Partnership, LP NewLake Capital Partners Operating
Its: Sole Member

By: NEWLAKE CAPITAL PARTNERS OP GP, LLC
Its: General Partner

By: NewLake Capital Partners, Inc.
Its: Sole Member

By: _____
Name: Anthony Coniglio
Title: CEO

TENANT:

PATRIOT CARE CORP.
a Massachusetts nonprofit corporation

By: _____
Name: Nicholas Vita
Title: President

By: /s/ Lars Boesgaard
Name: Lars Boesgaard
Title: Treasurer

IN WITNESS WHEREOF, the parties hereto have executed this Lease to be effective as of Effective Date.

LANDLORD:

NLCP 156 LINCOLN MA, LLC,
a Massachusetts limited liability company

By: NewLake Capital Partners Operating Partnership, LP
Its: Sole Member

By: NEWLAKE CAPITAL PARTNERS OP GP, LLC
Its: General Partner

By: NewLake Capital Partners, Inc.
Its: Sole Member

By: _____
Name: Anthony Coniglio
Title: CEO

TENANT:

PATRIOT CARE CORP.
a Massachusetts nonprofit corporation

By: /s/ Nicholas Vita
Name: Nicholas Vita
Title: President

By: _____
Name: Lars Boesgaard
Title: Treasurer

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

Property Address: 156 Lincoln St., 170 Lincoln St., 159 Tanner St., 171 Tanner St., and 171.1 Tanner St., Lowell, MA

The certain parcel of land situate in Lowell in the County of Middlesex and said Commonwealth of Massachusetts, bounded and described as follows:
SOUTHEASTERLY by Tanner Street, one hundred sixty-one and 19/100 (161.19) feet;
SOUTHWESTERLY one hundred fifteen and 42/100 (115.42) feet;
SOUTHEASTERLY sixty-five (65) feet, by Lot C1;
SOUTHWESTERLY by Lincoln Street, eighty-six and 09/100 (86.09) feet;
NORTHWESTERLY forty-two and 09/100 (42.09) feet, and
SOUTHWESTERLY sixty-nine and 98/100 (69.98) feet, by Parcel 4-3-C;
NORTHWESTERLY by Parcel 4-8, one hundred twenty-four and 49/100 (124.49) feet; and
NORTHEASTERLY by Lot 4, two hundred seventy and 63/100 (270.63) feet.

Said land is shown as Lot three (3) on a plan hereinafter mentioned.

Also another certain parcel of land situate in said Lowell, bounded and described as follows:

SOUTHEASTERLY by Tanner Street, thirty two (32) feet;
SOUTHWESTERLY by Lot 3, two hundred seventy and 63/100 (270.63) feet.
NORTHWESTERLY by Parcel 4-18, thirty-two and 07/100 (32.07) feet; and
NORTHEASTERLY by Lot 5, two hundred seventy-two and 80/100 (272.80) feet.

Said land is shown as Lot four (4) on said plan.

Also another certain parcel of land situate in said Lowell, bounded and described as follows:

SOUTHEASTERLY by Tanner Street, one hundred twenty-seven and 75/100 (127.75) feet;
SOUTHWESTERLY by Lot 4, two hundred seventy-two and 80/100 (272.80) feet;
NORTHWESTERLY by Parcel 4-19, one hundred twenty-eight and 03/100 (128.03) feet; and
NORTHEASTERLY by Lot 6, two hundred eighty-one and 30/100 (281.30) feet.

Said land is shown as Lot five (5) on said plan.

All of said boundaries are determined by the Land Court to be located as shown on subdivision plan 7809-I, drawn Massachusetts Department of Public Works, E. J. McCarthy. Chief Engineer, Dated June 7, 1960, as approved by the Court, filed in the Land Registration Office, a copy of which is filed with said Registry District.

Also another certain parcel of land situate in said Lowell, bounded and described as follows:

SOUTHEASTERLY by Tanner Street, one hundred thirteen (113) feet;

SOUTHWESTERLY by Lincoln Street, one hundred twenty-five and (125) feet;
NORTHWESTERLY sixty-five (65) feet; and
NORTHEASTERLY one hundred fifteen and 42/100 (115.42) feet, by Lot C2.

Said land is shown as Lot C1 on said plan.

All of said boundaries are determined by the Land Court to be located as shown on subdivision plans 7809-D, drawn by Brooks, Jordan and Graves, Civil Eng'rs., dated Nov. 21, 1940, as approved by the Court, filed in the Land Registration Office, a copy of which is filed with said Registry District.

EXHIBIT B

DEPICTION OF THE PREMISES

See attached.

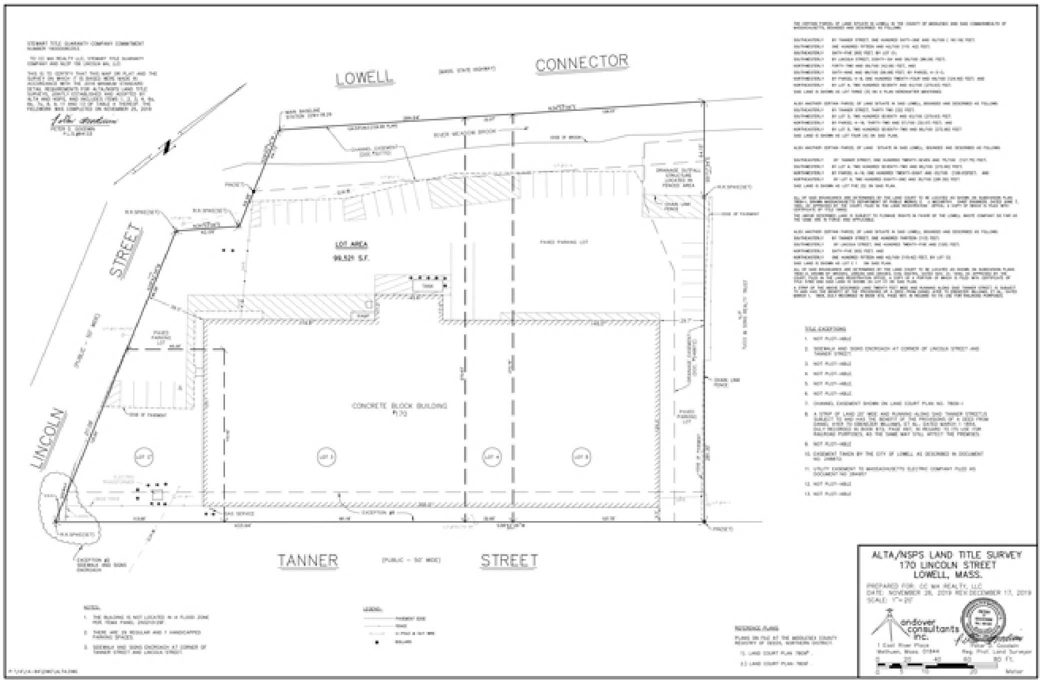
LOWELL CONNECTOR
LINCOLN STREET
(PUBLIC - 50' WIDE)
TANNER STREET
(PUBLIC - 50' WIDE)
RIVER MEADOW BROOK
LOT AREA
99,521 S.F.
CONCRETE BLOCK BUILDING
#170
PAVED PARKING LOT
TITLE EXCEPTIONS
1. NOT PLOT-ABLE
2. SIDEWALK AND SIGNS ENCROACH AT CORNER OF LINCOLN STREET AND TANNER STREET.
3. NOT PLOT-ABLE
4. NOT PLOT-ABLE
5. NOT PLOT-ABLE
6. NOT PLOT-ABLE
7. CHANNEL EASEMENT SHOWN ON LAND COURT PLAN NO. 7808-I
9. NOT PLOT-ABLE
12. NOT PLOT-ABLE
13. NOT PLOT-ABLE
ALTA/NSPS LAND TITLE SURVEY
170 LINCOLN STREET
LOWELL, MASS.
PREPARED FOR: CC MA REALTY, LLC
DATE: NOVEMBER 26, 2019 REV:DECEMBER 17, 2019
SCALE: 1"=20'
andover consultants inc.
1 East River Place
Methuen, Mass. 01844
Peter S. Goodwin
Reg. Prof. Land Surveyor

EXHIBIT C

Tenant Work Insurance Requirements

Tenant shall be responsible for requiring all of Tenant's contractors (and their subcontractors) doing construction or renovation work to purchase and maintain the following types of insurance with limits of liability applicable to any such work that are no less than the limits of such parties' existing policies and no less than the following limits or limits required by Law, whichever coverage is broader and greater:

1. Commercial General Liability:
    (a) $2,000,000 General – aggregate – per project
    (b) $2,000,000 Products and Completed Operations – aggregate
    (c) $1,000,000 Personal and Advertising Injury – per occurrence
    (d) $1,000,000 Bodily Injury and Property Damage – per occurrence
    (e) $50,000 Damage to Premises – per occurrence
    (f) $5,000 Medical Expenses – per person
2. Automobile Liability (including owned, non-owned and hired motor vehicles):
    (a) $1,000,000 Combined Single Limit – per accident
3. Worker's Compensation and Employer's Liability:
    (a) State and Federal (as applicable): Statutory Limit
    (b) Employer's Liability (without restriction to Worker's Compensation coverage):
        i. $500,000 per occurrence for bodily injury by accident
        ii. $500,000 policy limit by disease
        iii. $500,000 per employee for bodily injury by disease
4. Umbrella/Excess Liability: coverage at least as broad as the underlying Commercial General Liability, Automobile Liability and Employer's Liability policies and in no event less than $3,000,000 per occurrence / aggregate.

The required insurance shall be in form and substance reasonably satisfactory to Landlord and shall provide all major divisions of coverage in conformance with the standard terms, conditions and coverages of the Insurance Service Office (ISO) and National Council on Compensation Insurance (NCCI) policies, forms and endorsements and the capitalized terms above shall have the meanings given by the ISO and NCCI.

To the full extent permitted by Law, the Tenant shall cause the Commercial General Liability, Automobile Liability and Umbrella/Excess Liability listed above to include (1) the Landlord as an additional insured for claims caused in whole or in part by the negligent acts or omissions of Tenant or Tenant's contractors (and any subcontractors) during any Tenant Work and (2) the Landlord as an additional insured for claims caused in whole or in part by the negligent acts or omissions of Tenant or Tenant's contractors (and any subcontractors) for which loss occurs during completed operations. The additional insured coverage shall be primary and non-contributory to any of

Landlord's insurance policies and shall provide full coverage up to the monetary limits of the policies for both ongoing and completed operations. The Tenant shall require each of Tenant's contractors' subcontractors to obtain the same endorsements on their policies in favor of the Landlord.

The Tenant shall obtain a waiver of subrogation endorsement to each insurance policy required by this **Exhibit C**, including Worker's Compensation and Employer's Liability, which waives the insurer's right to subrogate a claim against the Owner. The Contractor shall require each of the Subcontractors to obtain the same endorsements on the Subcontractor's policies in favor of the Owner.

At Landlord's request, the Tenant shall provide certificates of insurance in the general form of ACORD 25-S supplemented with one or more other forms acceptable to Landlord evidencing compliance with the requirements in this **Exhibit C**.

EXHIBIT D

LEASE TERMS EXHIBIT

Location (for reference purposes only): The Lowell-Lincoln Property

This Lease Terms Exhibit (this "**Exhibit**") is attached to the Lease by and between the Landlord and the Tenant as defined in this Exhibit. Terms capitalized but not otherwise defined in this Exhibit have the meanings given in the Lease. Landlord and Tenant agree as follows:

1. Supplemental Definitions. The terms defined below have the following meanings whenever used in the Lease:

(a) "**Act**" means Chapter 334 of the Act of 2016 of Massachusetts and Massachusetts General Laws Chapter 94G, together with all related rules and regulations promulgated thereunder and any amendment or replacement act, rules or regulations.

(b) **"Base Rent**" means an amount calculated as follows:

Month of Term	Annual Base Rent	Monthly Base Rent
12/23/2019-12/23/2020	$ 770,645.14	$ 64,220.43
12/24/2020-12/23/2021	$ 789,911.27	$ 65,825.94
12/24/2021-12/23/2022	$ 809,659.05	$ 67,471.59
12/24/2022-12/23/2023	$ 829,900.53	$ 69,158.38
12/24/2023-12/23/2024	$ 850,648.04	$ 70,887.34
12/24/2024-12/23/2025	$ 871,914.24	$ 72,659.52
12/24/2025-12/23/2026	$ 893,712.10	$ 74,476.01
12/24/2026-12/23/2027	$ 916,054.90	$ 76,337.91
12/24/2027-12/23/2028	$ 938,956.27	$ 78,246.36
12/24/2028-12/23/2029	$ 962,430.18	$ 80,202.51
12/24/2028-12/23/2030	$ 986,490.93	$ 82,207.58
12/24/2030-12/23/2031	$ 1,011,153.21	$ 84,262.77
12/24/2031-12/23/2032	$ 1,036,432.04	$ 86,369.34
12/24/2032-12/23/2033	$ 1,062,342.84	$ 88,528.57
12/24/2033-12/23/2034	$ 1,088,901.41	$ 90,741.78

An additional component of Base Rent will be an amount equal to a percentage of the total amount of the Tenant Improvement Allowance disbursed by Landlord from time to time, calculated and paid as follows (the "**TIA Rent**"):

Tenant Improvement Allowance Disbursed	TIA Rent
$0 - $5,288,501.00	11.25%
$5,288,501.00 - $5,552,926.05	16.00%

The TIA Rent shall be calculated and paid on the first day of each calendar month during the Term. On each such date until the TIA Rent is incorporated into the Base Rent as provided below, Tenant

shall pay Landlord one twelfth (1/12) of the TIA Rent calculated based on the total Tenant Improvement Allowance disbursed by Landlord as of each such date. For example, if on the first day of the third calendar month during the Term a total of $1,000,000 of the Tenant Improvement Allowance has been disbursed to Tenant, on such date the Tenant must pay Landlord a TIA Rent payment of $9,375 [($1,000,000 x 11.25%) / 12].

Effective as of the first day of the Thirteenth (13th) calendar month of the Primary Lease Term, the TIA Rent that would otherwise be due and payable on such date shall be incorporated into the Base Rent schedule above and Landlord and Tenant shall execute an amendment to this Lease in a form reasonably acceptable to both parties evidencing the same and amending the Base Rent schedule accordingly (the "**First Base Rent Adjustment**"). The TIA Rent after the First Base Rent Adjustment shall be calculated by multiplying (a) the rate in the TIA calculation chart above that is applicable to the total aggregate amount of Tenant Improvement Allowance disbursed as of any date of payment of such TIA Rent and (b) the aggregate amount of Tenant Improvement Allowance disbursed after the First Base Rent Adjustment. Thereafter, Landlord and Tenant agree to enter into subsequent amendments to this Lease (each to be effective as of the first day of a calendar month) as reasonably requested in writing by Landlord incorporating all TIA Rent that would otherwise be due and payable on such date into the Base Rent schedule above.

(c) "**Expiration Date**" means December 23, 2034, subject to renewal by exercise of the Renewal Option, or such earlier date on which the Term ends pursuant to any of the terms, covenants or conditions of this Lease or pursuant to Law.

(d) "**Landlord**" means NLCP 156 LINCOLN MA, LLC, a Massachusetts limited liability company.

(e) "**License**" means collectively, the Marijuana Cultivator License for Patriot Care Corp located at 170 Lincoln Street Lowell, MA 01852, issued by the Cannabis Control Commission, and any future amendments, replacements or supplemental governmental approvals issued for the use of the Premises for the Permitted Use.

(f) "**Regulator**" means the Massachusetts Cannabis Control Commission, together with any successor or regulator with overlapping jurisdiction.

(g) "**Restricted Area**" means the geographic area within a one (1) mile radius of the Premises.

(h) "**Security Deposit**" means $256,881.72.

(i) "**Tenant**" means PATRIOT CARE CORP., a Massachusetts nonprofit corporation, together with any successor to the original Tenant pursuant to a Permitted Transfer.

(j) **"Tenant Improvement Allowance**" means up to $5,552,926.05.

2. Additional Lease Provisions.

(a) Tenant Improvement Allowance. Pursuant to the terms of **Exhibit F** attached hereto and made a part hereof, Landlord shall provide a construction allowance to Tenant in an amount equal to, but not exceeding, the Tenant Improvement Allowance for the reimbursement of the cost of Tenant Work for the construction of Tenant Improvements. Tenant shall have until the Tenant Improvement Allowance Deadline to request disbursement of the Tenant Improvement Allowance. Tenant shall not request more than one (1) disbursement of the Tenant Improvement Allowance per calendar month. Notwithstanding anything in this Lease to the contrary Landlord shall have no obligation to disburse any portion of the Tenant Improvement Allowance if (a) an uncured Event of Default exists or (b) Tenant has failed to comply with all requirements of **Exhibit F**. Any equipment or machinery, the cost of which is reimbursed by disbursement of any Tenant Improvement Allowance, shall become the property of Landlord on the Expiration Date or the date of any earlier termination of the Term unless, whether or not such equipment or machinery is affixed to the Premises unless Landlord delivers written notice to Tenant of its intent not to take ownership of all or any portion of such equipment or machinery, in which case Tenant shall cause the same to be removed from the Premises, at Tenant's sole cost and expense.

EXHIBIT E

GUARANTY AGREEMENT

See attached.

GUARANTY OF LEASE

THIS GUARANTY OF LEASE (this "**Guaranty**") is made, effective as of _____ (the "**Effective Date**"), for valuable consideration by COLUMBIA CARE INC., a corporation organized under the laws of British Columbia, Canada, having an address for notice purposes at _____ ("**Guarantor**"), in favor of _____, a _____ ("**Landlord**"), in connection with the Lease Agreement dated _____ (the "**Lease**"), by and between Landlord and _____, a _____ ("**Tenant**"), pursuant to which Landlord leases to Tenant the Premises, as defined in the Lease. Capitalized terms used in this Guaranty without definition shall have the meanings assigned to such terms in the Lease, unless the context expressly requires otherwise.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt, sufficiency and validity of which is hereby acknowledged, Guarantor does hereby agree as follows:

1. Guarantor does hereby absolutely, unconditionally and irrevocably guarantee and promise to Landlord the due, punctual and full performance by Tenant of each and all of the agreements, covenants, obligations, liabilities and promises of Tenant to be performed under the Lease and the truth and accuracy of each and all of the representations and warranties of Tenant contained in the Lease including, without limitation, the payment of Rent and any and all other sums payable thereunder, as well as all damages resulting from the Tenant committing an Event of Default, including all sums payable upon the termination of the Lease as a result of any such Event of Default. This Guaranty is an absolute, primary, and continuing, guaranty of payment and performance (not collection) and is independent of Tenant's obligations under the Lease. For the avoidance of doubt, no limitation of liability or restriction on survival of claims contained in the Agreement of Purchase and Sale dated [_____], executed by _____ , as seller, and _____, as purchaser (the "**Purchase Agreement**"), shall operate to limit the liability of Guarantor pursuant to this Guaranty or restrict Landlord's right to bring claims pursuant to this Guaranty.

2. Guarantor does hereby agree that, without the consent of or notice to Guarantor and without affecting any of the obligations of Guarantor hereunder: (a) any term, covenant or condition of the Lease may be amended, compromised, released, waived (in writing or otherwise) or otherwise altered by Landlord and Tenant, and Guarantor does guarantee and promise to perform all the obligations of Tenant under the Lease as so amended, compromised, released or altered; (b) any guarantor of or party to the Lease may be released, substituted or added; (c) any right or remedy under the Lease, this Guaranty or any other instrument or agreement in connection with the Lease or Guaranty may be exercised, not exercised, impaired, modified, limited, destroyed, or suspended; (d) Landlord or any other Person may deal in any manner with Tenant, any guarantor, any party to the Lease or any other Person; and (e) all or any part of the premises or of Tenant's rights or liabilities under the Lease may be sublet, assigned or assumed. Guarantor represents and warrants that (i) Guarantor is an Affiliate of Tenant and (ii) Guarantor expects to receive substantial benefits from Tenant's financial success. Guarantor acknowledges and agrees that Landlord would not have entered into the Lease with Tenant without having received this Guaranty executed by Guarantor as an inducement to Landlord.

3. Guarantor hereby waives and agrees not to assert or take advantage of: (a) any right to require Landlord to proceed against Tenant or any other Person or to pursue any other remedy before proceeding against Guarantor; (b) the defense of any statute of limitations in any action under or related to this Guaranty or the Lease; (c) any right or defense that may arise by reason of the incapacity, lack of authority, death or disability of Tenant or any other Person; (d) any right or defense arising by reason of the absence, impairment, modification, limitation, destruction or cessation (in bankruptcy, by an election or remedies, or otherwise) of the liability of Tenant, of the subrogation rights of Guarantor or of the right of Guarantor to proceed against Tenant for reimbursement; and (e) the benefits of any statutory provision or procedural rule limiting the liability of a surety.

4. Guarantor hereby waives and agrees not to assert or take advantage of any right or defense based on the absence of any or all presentments, demands (including demands for performance), notices (including notices of adverse change in the financial status of Tenant or other facts which increases the risk to Guarantor, notices of non-performance and notices of acceptance of this Guaranty) and protests of each every kind.

5. Guarantor does hereby agree that if claim is ever made upon Landlord because of Tenant for repayment or recovery of any amount or amounts received by Landlord from Tenant in payment or on account of the amounts hereby guaranteed and Landlord repays all or part of such amount by reason of (a) any judgment, decree or order of any court or administrative body having jurisdiction or (b) any settlement or compromise of any such claim effected by Landlord with any such third-party claimant, then in such event Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding upon Guarantor, notwithstanding the expiration or termination of the Lease or other instrument evidencing any of the amounts hereby guaranteed and Guarantor shall be and remain liable hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by Landlord.

6. Guarantor does hereby agree that for Landlord's benefit and the benefit of Tenant and to the fullest extent permitted by law, Guarantor irrevocably and unconditionally waives any and all rights of subrogation, reimbursement, indemnification, contribution, or similar rights against Tenant or its assets (arising by contract or by law or otherwise) as a consequence of this Guaranty, including, without limitation, the payment or performance of any obligations hereby guaranteed, and further agrees that Guarantor will not assert any such right of subrogation, reimbursement, indemnification, contribution or similar right until all obligations of Tenant under the Lease have been satisfied and discharged in full. It is agreed that Landlord's rights under this Section 6 are such that the remedy at law for breach thereof would be inadequate, and that Landlord shall be entitled to specific performance and enforcement thereof, including, without limitation, the imposition of a restraining order or injunction. Nothing in this Section 6 shall diminish or relieve any obligations or liabilities of Tenant to Landlord. Landlord and its respective successors and assigns are intended third party beneficiaries of the waivers and agreements made in this Section 6 and Landlord's rights under this Section 6 shall survive the expiration or termination of the Lease.

7. The liability of Guarantor and all rights, powers and remedies of Landlord hereunder and the liability and obligations of Tenant and all rights, powers and remedies of Landlord under the Lease and under this Guaranty shall be in addition to all rights, powers and

remedies given to Landlord by law. Guarantor agrees that Landlord shall have the right to require the performance by Guarantor of each and every one of its obligations hereunder, and to sue for damages and other relief at law and in equity (including specific performance) for breach of any such obligations without first seeking or taking any action against Tenant.

8. This Guaranty applies to, inures to the benefit of and binds all parties hereto, their heirs, devisees, legatees, executors, administrators, representatives, successors and assigns (including any purchaser at judicial foreclosure or trustee's sale or a holder of a deed in lieu thereof). This Guaranty may be assigned by Landlord voluntarily or by operation of law without reducing or modifying the liability of Guarantor hereunder. Guarantor's obligations under this Guaranty shall not be assigned or delegated, but this Guaranty shall pass to and be fully binding upon any successors, heirs, assigns and/or trustees of Guarantor.

9. This Guaranty shall constitute the entire agreement between Guarantor and Landlord with respect to the Guarantor's guaranty of performance of all of Tenant's obligations under the Lease. This Guaranty is unconditional. No unsatisfied condition exists to the full effectiveness and enforceability of this Guaranty. No provision of this Guaranty (including this Section 9) or right of Landlord hereunder may be waived nor may any Guarantor be released from any obligation hereunder except by a writing duly executed by Landlord. Landlord's consent to, or approval of, any act by Guarantor requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary the need to obtain Landlord's written consent to or approval of any subsequent similar act by Guarantor. No course of prior dealings between Landlord and Guarantor or their respective officers, employees, agents or Affiliates shall be relevant or admissible to supplement, explain or vary any of the express terms of this Guaranty. This Guaranty may not be modified in any respect except by an instrument signed in writing by Landlord and Guarantor. Any course of conduct between Landlord and Guarantor shall not constitute an amendment of this Guaranty.

10. If more than one Person signs this Guaranty, each such Person shall be deemed a Guarantor and the obligation of all such Guarantors shall be joint and several. If Guarantor shall be a Person, the constituent owners of which are, by virtue of state or federal law, subject to personal liability, the liability of each such constituent owner shall be joint and several.

11. If any provision of this Guaranty shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Guaranty and all such other provisions shall remain in full force and effect. It is the intention of Landlord and Guarantor that if any provision of this Guaranty is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

12. The waiver or failure to enforce any provision of this Guaranty shall not operate as a waiver of any other breach of such provision or any other provisions hereof.

13. If Landlord or Guarantor files a suit against the other which is in any way connected with this Guaranty, the unsuccessful party shall pay to the prevailing party a sum for reasonable attorneys' fees, costs and disbursements, including the fees, taxable and non-taxable costs and disbursements of consultants, professionals, paralegals, whether at trial, appeal and/or in

bankruptcy court, all of which will be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment. To the full extent permitted by law, such fees, costs and disbursements will be based upon the actual and reasonable fees, costs and disbursements incurred and not by reference to the amount in controversy. In addition, in the event either party shall hire an attorney as a result of a breach by the other party of any term, covenant or provision of this Guaranty, in addition to paying any amounts outstanding and/or performing any obligation remaining to be performed, in order to fully cure such breach or default, the party in breach or default shall reimburse the other party for the reasonable attorneys' fees, taxable and non-taxable costs and disbursements including the fees and disbursements of consultants, professionals and paralegals incurred by the non-breaching party in enforcing the other party's obligations, whether or not a legal action is commenced, including the costs of preparing and presenting default notices, demand letters and similar non-judicial enforcement activities.

14. The laws of the State shall govern the validity, performance and enforcement of this Guaranty, without regard to any conflict of law principles to the contrary. The proper place of venue to enforce this Guaranty will be the county or district in which the Premises is located. In any legal proceeding regarding this Guaranty, including enforcement of any judgments, Guarantor irrevocably and unconditionally (a) submits to the jurisdiction of the courts of law in the county or district in which the Premises is located; (b) accepts the venue of such courts and waives and agrees not to plead any objection thereto; and (c) agrees that (i) service of process may be effected at the address specified herein, or at such other address of which Landlord has been properly notified in writing, and (ii) nothing herein will affect Landlord's right to effect service of process in any other manner permitted by applicable law.

15. Although this Guaranty was drafted by Landlord, this Guaranty is the product of due negotiation between Landlord and Guarantor, both of whom have been represented by (or have had the opportunity to be represented by) capable legal counsel and Guarantor has carefully read this Guaranty and understands the meaning and effects of its terms. As such, this Guaranty shall not be construed either for or against Landlord or Guarantor, but this Guaranty shall be interpreted in accordance with the plain meaning of the language contained in this Guaranty. In this regard, when used in this Guaranty, the word "**include**" shall be deemed to include the words "**without limitation**" and the use of the singular shall be deemed to include the plural and vice versa. Guarantor has had a full and adequate opportunity to review the Lease, the transaction contemplated by the Lease, Tenant's financial condition, Tenant's ability to pay and perform the obligations of Tenant under the Lease and all facts related to the Lease. Guarantor shall at all times keep itself fully informed on all such matters. Landlord has no duty, at any time, to disclose to Guarantor any information about any such matters. If Landlord, in its sole discretion, determines to provide to Guarantor any such information, such determination shall not obligate Landlord to provide to Guarantor any further or additional information.

16. Guarantor represents and warrants to Landlord that each Person signing this Guaranty on behalf of Guarantor is authorized to do so and that this Guaranty is binding upon the Guarantor in accordance with its terms. If more than one (1) Person has executed this Guaranty as Guarantor, each Guarantor has unconditionally delivered this Guaranty to Landlord. Any other Person's failure to sign (or remain obligated under) this Guaranty does not diminish or discharge the liability of any Guarantor. The liability of each Guarantor is not conditioned on the liability

or performance of any other Person. Such liability exists, regardless of the liability of any other Person, whether a Guarantor is jointly and severally liable for the entire obligation or for only part. Landlord's release of any one (1) Guarantor does not diminish or impair the liability of any other Guarantor.

17. In the event Tenant shall become insolvent or shall be adjudicated a bankrupt, or shall file a petition for reorganization, arrangement or other relief under any present or future provisions of the United States Bankruptcy Code, or if such a petition be filed by creditors of Tenant, or if Tenant shall seek a judicial readjustment of the rights of its creditors under any present or future Law, or if a receiver of all or part of Tenant's property or assets is appointed by the any state or federal court, no such proceeding or action taken therein shall modify, diminish, or in any way affect the liability of Guarantor under this Guaranty, and the liability of Guarantor with respect to the Lease shall be of the same scope as if Guarantor had itself executed the lease as the named Tenant therein, and no "**rejection**" and/or "**termination**" of the Lease in any of the proceedings referred to in this Section 17 shall be effective to release and/or terminate the continuing liability of Guarantor to Landlord under this Guaranty.

18. **WAIVER OF RIGHT TO JURY TRIAL. IF AND TO THE FULL EXTENT PERMITTED BY LAW, LANDLORD AND GUARANTOR EACH WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY OF ANY CONTRACT OR TORT CLAIM, COUNTERCLAIM, CROSS-COMPLAINT OR CAUSE OF ACTION IN ANY ACTION, PROCEEDING OR HEARING BROUGHT BY EITHER LANDLORD OR GUARANTOR AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED TO THIS GUARANTY, THE RELATIONSHIP OF LANDLORD AND GUARANTOR OR TENANT'S USE OR OCCUPANCY OF THE PREMISES, INCLUDING ANY CLAIM OF INJURY OR DAMAGE OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY CURRENT OR FUTURE LAW**.

19. Guarantor shall, within ten (10) business days after receipt of Landlord's request to do so ("**First Notice Period**") and provided Landlord also sends such request to Tenant, deliver to Landlord a certificate, in a form and substance reasonably satisfactory to Landlord, confirming that (a) this Guaranty remains in full force and effect and has not been waived, discharged or released; and, (b) Guarantor has no defenses or offsets against its obligations to Landlord under this Guaranty (or stating any exceptions to the foregoing statements). If Guarantor fails to deliver such certificate to Landlord prior to the expiration of the First Notice Period, Landlord may deliver to Guarantor and Tenant a second request for Guarantor to deliver such certificate within five (5) business days after Tenant's receipt of Landlord's second request ("**Second Notice Period**"). The failure by Guarantor to deliver the certificate to Landlord prior to the expiration of the Second Notice Period shall constitute a material breach and default by Guarantor of this Guaranty and shall constitute an Event of Default under the Lease.

20. Guarantor shall automatically be released from its obligations hereunder upon the satisfaction of all obligations of Tenant under the Lease.

(Signatures on following page(s))

This Guaranty is executed by Guarantor to be effective as of the Effective Date.

GUARANTOR:

COLUMBIA CARE INC.,
a British Columbia corporation

By: _____
Name: Michael Abbott
Title: Chairman

EXHIBIT F

Tenant Improvements Exhibit

This **Exhibit F** sets forth the respective obligations of, and the procedures to be followed by, Landlord and Tenant in the construction of the Tenant Improvements, including, without limitation, the requirements for the design and construction of the Tenant Improvements and the procedure for application for disbursement of the Tenant Improvement Allowance for payment of design and construction costs. This **Exhibit** F is incorporated into and made a part of the Lease and any capitalized terms not otherwise defined in this **Exhibit F** shall have the meanings given in the Lease.

1. Tenant's Consultants. The architect, engineering consultants, design team, general contractor and subcontractors responsible for the construction of the Tenant Improvements shall be selected by Tenant and approved by Landlord, which approval Landlord shall not unreasonably withhold, condition or delay. All contracts related to the Tenant Improvements shall provide that Tenant may assign such contracts and any warranties with respect to the Tenant Improvements to Landlord without restriction.

2. Schedule. The schedule for design and development of the Tenant Improvements, including the time periods for preparation and review of construction documents, approvals and performance, shall be in accordance with a reasonable schedule for the completion of the Tenant Improvements to be prepared by Tenant (the "**Schedule**"). As soon as the Schedule is completed, Tenant shall deliver the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. The Schedule shall be approved or disapproved by Landlord within ten (10) business days after delivery to Landlord. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If Landlord disapproves the Schedule, then Landlord shall notify Tenant in writing of its objections to such Schedule, and the parties shall negotiate in good faith to reach agreement on the Schedule. The Schedule shall be subject to adjustment as mutually agreed in writing by the parties, or as provided in this **Exhibit F**.

3. General Requirements. All Tenant Improvements shall be performed by Tenant's contractor, at Tenant's sole cost and expense and in accordance with the Approved Plans, the Lease and this **Exhibit F**. All material and equipment furnished by Tenant or its contractors for construction of the Tenant Improvements shall be new or "like new" and the Tenant Improvements shall be performed in a first-class, workmanlike manner. Tenant shall take, and shall require its contractors to take, commercially reasonable steps to protect the Premises during the performance of any Tenant Improvements.

4. Preliminary Plans. Tenant shall prepare and submit to Landlord for approval schematics of the Tenant Improvements prepared in conformity with the applicable provisions of this **Exhibit F** (the "**Preliminary Plans**"). The Preliminary Plans shall contain sufficient information and detail to accurately describe the proposed design to Landlord and such other information as Landlord may reasonably request. Landlord shall notify Tenant in writing within ten (10) business days after receipt of the Preliminary Plans whether Landlord approves or objects

to the Preliminary Plans and of Landlord's specific objections to the Preliminary Plans (if any). Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If Landlord reasonably objects to the Preliminary Plans, then Tenant shall revise the Preliminary Plans to remedy Landlord's objections. Tenant shall then resubmit the revised Preliminary Plans to Landlord for approval, such approval not to be unreasonably withheld, conditioned or delayed. Landlord's approval of or objection to any revised Preliminary Plans and Tenant's correction of the same shall continue as provided above for the original Preliminary Plans until Landlord has approved the Preliminary Plans in writing. The Preliminary Plans that are approved by Landlord without objection shall be referred to as the "**Approved Preliminary Plans**."

5. Working Drawings. Tenant shall prepare final construction drawings and specifications for the Tenant Improvements that (a) are consistent with and are logical evolutions of the Approved Preliminary Plans and (b) incorporate any Changes. As soon as such final construction drawings and specifications ("**Working Drawings**") are completed, Tenant shall deliver the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. All such Working Drawings shall be submitted by Tenant to Landlord in electronic .pdf, CAD and full-size hard copy formats, and shall be approved or disapproved by Landlord within ten (10) business days after delivery to Landlord. Landlord's failure to respond within such ten (10) business day period shall be deemed approval by Landlord. If the Working Drawings are disapproved by Landlord, then Landlord shall notify Tenant in writing of its objections to such Working Drawings, and the parties shall confer and negotiate in good faith to reach agreement on the Working Drawings. Promptly after the Working Drawings are approved by Landlord and Tenant, two (2) copies of such Working Drawings shall be initialed and dated by Landlord and Tenant, and Tenant shall promptly submit such Working Drawings to all appropriate governmental authorities for approval. Tenant's architect, engineer or contractor must verify at the job site all dimensions, locations of structural members and any other physical conditions affecting Tenant's construction drawings and assure full compliance with all governing codes, ordinances and regulations of authorities having jurisdiction. It is Tenant's exclusive responsibility to determine and fulfill any and all design requirements of Landlord or that are necessary to obtain required permits and a Certificate of Occupancy from all applicable governmental authorities. The Working Drawings so approved, and all change orders approved by Landlord, are referred to as the "**Approved Plans**."

6. Changes Requests. Any material changes to the Approved Plans (each, a "**Change**") requested by Tenant shall be subject to the prior written approval of Landlord, not to be unreasonably withheld, conditioned or delayed. Any such Change request shall detail the nature and extent of any requested Changes, including any modification of the Approved Plans and the Schedule, as applicable, necessitated by the Change. In the event that Landlord fails to respond to any Change request within five (5) business days of receipt, such Change shall be deemed approved.

7. Performance and Compliance. Tenant, at its sole cost and expense, shall perform and complete the Tenant Improvements in all respects (a) in substantial conformance with the Approved Plans, (b) otherwise in compliance with provisions of the Lease and this **Exhibit F** and (c) in accordance with all Laws, the requirements of Tenant's insurance carriers, the requirements of Landlord's insurance carriers and any governmental authority having jurisdiction over the Premises.

8. Completion. The Tenant Improvements shall be deemed completed at such time as Tenant shall have delivered to Landlord all of the following: (a) evidence reasonably satisfactory to Landlord that (i) all Tenant Improvements have been completed and paid for in full (which shall be evidenced by Tenant's architect's certificate of completion and Tenant's general contractor's and each of its subcontractor's and material supplier's final unconditional waivers and releases of liens, each in a form acceptable to Landlord and complying with Laws, and a certificate of substantial completion in the form of AIA document G704, executed by Tenant's architect and Tenant's general contractor, together with a statutory notice of substantial completion from Tenant's general contractor), (ii) all Tenant Improvements have been accepted by Landlord, (iii) any liens related to the Tenant Improvements have either been discharged of record (by payment, bond, order of a court of competent jurisdiction or otherwise) or waived by the party filing such lien and (iv) no security interests relating to the Tenant Improvements are outstanding, (b) all certifications and approvals with respect to the Tenant Improvements that may be required from any governmental authority for the use and occupancy of the Premises (including a certificate of occupancy for the Premises for the Permitted Use), (c) certificates of insurance required by the Lease to be purchased and maintained by Tenant, (d) an affidavit from Tenant's architect certifying that all work performed in, on or about the Premises has been performed in accordance with the Approved Plans, (e) complete "as built" drawing print sets, project specifications and shop drawings and electronic CAD files on disc (showing the Tenant Improvements as an overlay on the "as built" plans for work performed by Tenant's architect and engineers in relation to the Tenant Improvements, (f) a commissioning report prepared by a licensed, qualified commissioning agent hired by Tenant and approved by Landlord for all new or affected mechanical, electrical and plumbing systems (which report Landlord may hire a licensed, qualified commissioning agent to peer review, and whose reasonable recommendations Tenant's commissioning agent shall perform and incorporate into a revised report) and (g) such other materials as Landlord reasonably requests.

9. Insurance. At all times during the performance of any Tenant Work relating to any Tenant Improvements and ending only upon deemed completion of the Tenant Improvements as provided in Section 8 of this **Exhibit F**, Tenant shall maintain or cause to be maintained the insurance on **Exhibit C**.

10. Indemnification. For the avoidance of doubt, Tenant's indemnification obligations under Section 12.4 of the Lease shall apply to any claims arising from or in any way related to any work performed by Tenant or its agents pursuant to this **Exhibit F**.

11. Application of Tenant Improvement Allowance. Landlord shall contribute the Tenant Improvement Allowance ***only*** toward the following costs and expenses incurred in connection with the performance of the Tenant Improvements: (a) construction costs, including costs of commissioning and constructing mechanical, electrical and plumbing systems; (b) Landlord's reasonable and actual out of pocket costs incurred in connection with its review of any materials submitted for its approval pursuant to this **Exhibit F** (all of such costs shall be included in Operating Expenses); (c) the cost of site plan, architectural, engineering and related services performed for the Tenant by third party consultants that are not Affiliates of Tenant; (d) costs of

obtaining building permits and paying any related taxes, fees, charges or levies imposed by any governmental authorities in connection with such permits; (e) costs of labor, materials, equipment and fixtures. If the entire Tenant Improvement Allowance is not applied toward or reserved for the costs of the Tenant Improvements, then Tenant shall not be entitled to a credit of such unused portion of the Tenant Improvement Allowance. Notwithstanding anything in this **Exhibit F** or the Lease to the contrary, Landlord shall have no obligation to contribute more than ten percent (10%) of the Tenant Improvement Allowance toward the payment of Soft Costs. "**Soft Costs**" shall mean all general overhead costs, administrative, architectural, engineering, and other design fees as well as legal and accounting fees and the cost of any equipment that will not become a fixture, provided that HVAC and lighting equipment will not be included in this definition.

12. Tenant Improvements Budget. Notwithstanding anything in the Lease or this **Exhibit F** to the contrary, Landlord shall not have any obligation to expend any portion of the Tenant Improvement Allowance until Landlord and Tenant shall have approved in writing the budget for the Tenant Improvements (the "**Approved Budget**"). Prior to Landlord's approval of the Approved Budget, Tenant shall pay all of the costs and expenses incurred in connection with the Tenant Improvements as they become due. Landlord shall not be obligated to reimburse Tenant for costs or expenses relating to the Tenant Improvements that exceed the amount of the Tenant Improvement Allowance. Landlord shall not unreasonably withhold, condition or delay its approval of any budget for Tenant Improvements that is proposed by Tenant that is in compliance with Section 9.5 of the Lease.

13. Disbursement Requests. Subject to the limitations of Section 9.5 of the Lease, when Tenant submits to Landlord (a) a statement setting forth the total amount of the TI Allowance requested (a "**Disbursement Request**"), (b) a summary of the Tenant Improvements performed using AIA standard form G 702 executed by Tenant's general contractor and by Tenant's architect, (c) invoices from Tenant's general contractor, Tenant's architect, and any subcontractors, material suppliers and other parties in the amount of the Tenant Improvement Allowance requested by Tenant for reimbursement and (d) unconditional lien releases from Tenant's general contractor and each subcontractor and material supplier with respect to all payments made by Tenant for the Tenant Improvements in a form acceptable to Landlord and complying with Laws, then Landlord shall, within fifteen (15) days following receipt by Landlord of the items listed in (a), (b), (c) and (d) above, pay to Tenant the amount of the Tenant Improvement Allowance requested.

14. Landlord Approvals. Notwithstanding anything in this **Exhibit F** to the contrary, Landlord shall not be deemed to have approved any materials submitted by Tenant unless and until such materials have been sent by Tenant to the email address provided by Landlord for delivery of such materials, with a subject line containing the text "LANDLORD APPROVAL REQUIRED".

Exhibit 10.5

Execution Version

FIRST AMENDMENT TO LEASE

This FIRST AMENDMENT TO LEASE (the "**Amendment**") is dated as of the 2nd day of December 2020 by and between PHC FACILITIES, INC., a California corporation ("**Tenant**") and, MM DOWNTOWN FACILITY, LLC, a California limited liability company ("**Landlord**").

Preliminary Statement

WHEREAS, Landlord and Tenant are parties to that certain Lease Agreement dated April 10, 2019 (the "Lease") whereby Tenant leases certain real property and improvements thereon known as 1425 Long Beach Avenue, Los Angeles, California (the "**Premises**"), as further described in the Lease; and

WHEREAS, Landlord and Tenant wish to amend certain provisions of the Lease as further set forth herein.

NOW THEREFORE, for good and valuable consideration the sufficiency of which is herein acknowledged, Landlord and Tenant hereby agree to amend the Lease pursuant to this Amendment on the terms and conditions as further described herein. Capitalized terms used herein and not otherwise defined shall have the meanings as set forth in the Lease.

Terms

1. PREMISES. The definition of "Premises" in Section 1 of the Basic Lease Provisions is hereby amended to include the Overall Land, including the Grow Premises, and the Building, and the reference to a separate lease for the Grow Premises is deleted. For avoidance of doubt, the Premises shall consist of 26,790 square feet of land and the entirety of the 36, 153 square foot Building.

2. PERMITTED USE. Section 3 of the Basic Lease Provisions and Section 5.1 of the Lease are hereby amended as follows:

   The Permitted Use allowed by Tenant is hereby amended to include medicinal and recreational marijuana cultivation, in addition to retail sales, storage, warehousing and distribution of medical and recreational marijuana.

3. BASIC RENT. Section 6 of the Basic Lease Provisions is hereby amended to reflect Annual Basic Rent in the amount of $1,325,000 per year and $110,417 per month. Section 3.2(a) is amended to reflect a five percent (5%) increase over the initial Term.

4. PERCENTAGE RENT. Section 7 of the Basic Lease Provisions and Article 4.2 of the Lease are hereby deleted in their entirety.

5. ADDITIONAL RENT. Section 4.4 is hereby amended by adding the following sentence to the existing paragraph:

"For avoidance of doubt, this Lease shall be triple net to the Landlord, and Tenant shall be responsible for all costs associated with the operation, maintenance and repair of the Premises, including any debt service payments applicable to the Premises."

6. No Other Amendments. In all other respects, the terms and provisions of the Lease are ratified and reaffirmed hereby, are incorporated herein by this reference and shall be binding upon the parties to this Amendment.

7. Conflicts. Any inconsistencies or conflicts between the terms and provisions of the Lease and the terms and provisions of this Amendment shall be resolved in favor of the terms and provisions of this Amendment.

8. Execution. The submission of this Amendment shall not constitute an offer, and this Amendment shall not be effective and binding unless and until fully executed and delivered by each of the parties hereto. Each party represents and warrants for itself that all requisite organizational action has been taken in connection with this Amendment, and the individual or individuals signing this Amendment on behalf of the respective parties represent and warrant that they have been duly authorized to bind such party by their signature(s).

9. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Additionally, telecopied or pdf signatures may be used in place of original signatures on this Amendment. Landlord and Tenant intend to be bound by the signatures on the telecopied or pdf document, are aware that the other party will rely on the telecopied or pdf signatures, and hereby waive any defenses to the enforcement of the terms of this Amendment based on the form of signature.

10. Modifications. This Amendment shall not be modified except in writing signed by both parties hereto.

11. Construction. The parties acknowledge and agree that this Amendment was negotiated by all parties, that this Amendment shall be interpreted as if it was drafted jointly by all of the parties, and that neither this Amendment, nor any provision within it, shall be construed against any party or its attorney because it was drafted in whole or in part by any party or its attorney.

12. Governing Law. This Amendment shall be governed, construed and interpreted in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have duly executed this First Amendment to Lease on the day and year first above written.

LANDLORD:

MM DOWNTOWN FACILITY, LLC,
a California limited liability company

By: /s/ Cameron Wald
Name: Cameron Wald
Its: Manager

TENANT:

PHC FACILITIES, INC.
a California corporation

By: /s/ Cameron Wald
Name: Cameron Wald
Title: Chief Executive Officer