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

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: **000-54258**

UNRIVALED BRANDS, INC.

(Exact name of registrant as specified in its charter)

NEVADA	**26-3062661**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3242 S.Halladay Street, Suite 202
Santa Ana, California 92705
(Address of principal executive offices) (Zip Code)

888-909-5564
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	**UNRV**	**OTCQX**

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No o

Indicate by check mark whether the registrant has submitted electronically Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No o

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 financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2021, the last business day of the Registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's voting stock held by non-affiliates (based on the closing sale price of the registrant's Common Stock on the OTC Market Group Inc.'s OTCQX tier, and for the purpose of this computation only, on the assumption that all of the Registrant's directors and officers are affiliates), was $65,823,407.

As of March 31, 2022, there were 527,729,921 shares outstanding, 85,826,871 shares of common stock issuable upon the exercise of all our outstanding warrants and 40,213,343 shares of common stock issuable upon the exercise of all vested options.

Documents Incorporated by Reference

None

UNRIVALED BRANDS, INC.
ANNUAL REPORT ON FORM 10-K
YEAR ENDED DECEMBER 31, 2021

TABLE OF CONTENTS

		Page
	PART I	
Item 1.	Business	4
Item 1A.	Risk Factors	7
Item 1B.	Unresolved Staff Comments	21
Item 2.	Properties	22
Item 3.	Legal Proceedings	22
Item 4.	Mine Safety Disclosures	22
	PART II	
Item 5.	Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	23
Item 6.	[Reserved]	24
Item 7.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	27
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	28
Item 8.	Financial Statements and Supplementary Data	28
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	28
Item 9A.	Controls and Procedures	28
Item 9B.	Other Information	30
Item 9C.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	
	PART III	
Item 10.	Directors, Executive Officers and Corporate Governance	31
Item 11.	Executive Compensation	34
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	40
Item 13.	Certain Relationships and Related Transactions, and Director Independence	42
Item 14.	Principal Accountant Fees and Services	44
	PART IV	
Item 15.	Exhibits and Financial Statement Schedules	45
Index to Consolidated Financial Statements		F-1
Signatures		49
Certifications		See Exhibits

CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

In addition to historical information, this Annual Report on Form 10-K may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which provides a "safe harbor" for forward-looking statements made by us. All statements, other than statements of historical facts, including statements concerning our plans, objectives, goals, beliefs, business strategies, future events, business conditions, results of operations, financial position, business outlook, business trends, and other information, may be forward-looking statements. Words such as "might," "will," "may," "should," "estimates," "expects," "continues," "contemplates," "anticipates," "projects," "plans," "potential," "predicts," "intends," "believes," "forecasts," "future," and variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not historical facts, and are based upon our current expectations, beliefs, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond our control. Our expectations, beliefs, estimates, and projections are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs, estimates, and projections will occur or can be can achieved and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

There are a number of risks, uncertainties, and other important factors, many of which are beyond our control, that could cause actual results to differ materially from the forward-looking statements contained in this Annual Report on Form 10-K. Such risks, uncertainties, and other important factors that could cause actual results to differ include, among others, the risk, uncertainties and factors set forth under "Item 1A. Risk Factors" in this Annual Report on Form 10-K and in other filings we make from time to time with the U.S. Securities and Exchange Commission ("SEC").

We caution you that the risks, uncertainties, and other factors set forth in our periodic filings with the SEC may not contain all of the risks, uncertainties, and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits, or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. There can be no assurance that: (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors' likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct, or (iv) our strategy, which is based in part on this analysis, will be successful. All forward-looking statements in this report apply only as of the date of the report or as of the date they were made and, except as required by applicable law, we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments, or otherwise.

The following discussion should be read in conjunction with our consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K.

PART I

ITEM 1. BUSINESS

References in this document to "the Company", "Unrivaled", "we", "us", or "our" are intended to mean Unrivaled Brands, Inc., individually, or as the context requires, collectively with its subsidiaries on a consolidated basis. Effective July 7, 2021 the Company changed its corporate name from "Terra Tech Corp." to "Unrivaled Brands, Inc." in connection with the Company's acquisition of UMBRLA, Inc ("UMBRLA").

Company Overview

Unrivaled Brands, Inc. is a holding company with the following subsidiaries:

- 620 Dyer LLC, a California corporation ("Dyer");
- 1815 Carnegie LLC, a California limited liability company ("Carnegie");
- Black Oak Gallery, a California corporation ("Black Oak");
- Blüm San Leandro, a California corporation ("Blum San Leandro");
- MediFarm, LLC, a Nevada limited liability company ("MediFarm");
- MediFarm I, LLC, a Nevada limited liability company ("MediFarm I");
- 121 North Fourth Street, LLC, a Nevada limited liability company ("121 North Fourth");
- OneQor Technologies, Inc., a Delaware corporation ("OneQor");
- UMBRLA, Inc., a Nevada corporation ("UMBRLA");
- Halladay Holding, LLC ("Halladay");
- People's First Choice, LLC, a California limited liability company ("People's"); and
- Silverstreak Solutions, Inc, a California corporation ("Silverstreak").

Our corporate headquarters is located at 3242 S. Halladay Street, Suite 202, Santa Ana, California 92705 and our telephone number is (888) 909-5564. Our website addresses are as follows: www.unrivaledbrands.com, www.letsblum.com, and www.thespotforyou.com. No information available on or through our websites shall be deemed to be incorporated into this Annual Report on Form 10-K. Our common stock, par value $0.001 (the "Common Stock"), is quoted on the OTC Markets Group, Inc.'s OTCQX tier under the symbol "UNRV." Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, including exhibits, proxy and information statements and amendments to those reports filed or furnished pursuant to Sections 13(a), 14, and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") may be accessed through the SEC's Interactive Data Electronic Applications system at https://www.sec.gov.

Recent Developments

The risks and uncertainties regarding the future of our business due to the impact of COVID-19 and regulatory uncertainty, combined with our historical lack of profitability, have raised substantial doubt as to our ability to continue as a going concern. The accompanying consolidated financial statements have been prepared assuming that we will continue as a going concern.

Our Business

The Company is a multi-state operator (MSO) with retail, production, distribution, and cultivation operations, with an emphasis on providing the highest quality of medical and adult use cannabis products. From the acquisition of UMBRLA, the Company has established multiple cannabis-lifestyle brands. The Company is home to Korova, a brand of high potency products across multiple product categories, currently available in California, Oregon, Arizona, and Oklahoma. Other Company brands include Cabana, a boutique cannabis flower brand, and Sticks, a mainstream value-driven cannabis brand, available in California and Oregon. With the acquisition of People's First Choice and the subsequent opening of People's Downtown LA store, the Company operates five cannabis dispensaries in California. In addition to People's First Choice, and People's Downtown LA, the Company also operates The Spot in Santa Ana, Blüm in Oakland and Silverstreak in San Leandro. The company operates two cultivation facilities in California. The Company also operates a non-storefront delivery service in Sacramento under the Silverstreak name. In addition, the Company has licensed distribution facilities in Portland, Oregon, Los Angeles, California, and Sonoma County, California.

Business Update Regarding COVID-19

The COVID-19 pandemic has presented a substantial public health and economic challenge around the world and is affecting employers, employees, communities and business operations, as well as the world's economy and financial

markets. The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19, the actions taken to contain it or treat its impact and the economic impact on local, regional, national and international markets.

To date, we have been able to continue our operations and do not anticipate any material interruptions in the foreseeable future. However, we are continuing to assess the potential impact of the COVID-19 pandemic and its impact on our industry and our company.

Marijuana Industry Overview

Marijuana cultivation refers to the planting, tending, improving and harvesting of the flowering plant Cannabis, primarily for the production and consumption of cannabis flowers, often referred to as "buds." The cultivation techniques for marijuana cultivation differ for other purposes such as hemp production and generally references to marijuana cultivation and production do not include hemp.

Cannabis belongs to the genus Cannabis in the family Cannabaceae and for the purposes of production and consumption, includes three species, C. sativa ("Sativa"), C. indica ("Indica"), and C. ruderalis ("Ruderalis"). Sativa and Indica generally grow tall with some varieties reaching approximately four meters. The females produce flowers rich in tetrahydrocannabinol ("THC"). Ruderalis is a short plant and produces trace amounts of THC but is very rich in cannabidiol ("CBD") and which is an antagonist (inhibits the physiological action) to THC.

As of December 2021, there are a total of 39 states, plus the District of Columbia, that have passed legislation as it relates to medicinal cannabis. Of these states, 19 (including the District of Columbia) have decriminalized adult cannabis use. These state laws are in direct conflict with the United States Federal Controlled Substances Act (21 U.S.C. § 811) ("CSA"). The CSA classifies cannabis as a Schedule I controlled substance, which is viewed as having a high potential for abuse and has no currently-accepted use for medical treatment.

These 39 states, and the District of Columbia, have adopted laws that allow certain patients who use medicinal cannabis and/or cannabis-derived products under a physician's supervision from state criminal penalties. These are collectively referred to as the states that have de-criminalized medicinal cannabis, although there is a subtle difference between de-criminalization and legalization, and each state's laws are different.

Cannabis decriminalization is generally referred to as the removal of all criminal penalties for the private possession and use of cannabis by adults, including cultivation for personal use and casual, nonprofit transfers of small amounts. Legalization is generally referred to as the development of a legally controlled market for cannabis, where consumers purchase from a safe, legal, and regulated source.

Although the possession, cultivation and distribution of marijuana for medical and adult use is permitted in California, Oregon and Nevada, provided compliance with applicable state and local laws, rules, and regulations, marijuana is illegal under federal law. We believe we operate our business in compliance with applicable California, Oregon and laws and regulations. Any changes in federal, state or local law enforcement regarding marijuana may affect our ability to operate our business. Strict enforcement of federal law regarding marijuana would likely result in the inability to proceed with our business plans, could expose us to potential criminal liability and could subject our properties to civil forfeiture. Any changes in banking, insurance or other business services may also affect our ability to operate our business.

The states that have legalized medicinal or adult use of cannabis or cannabis-related products are as follows (in alphabetical order):

1.	Alabama	14.	Louisiana	27.	New York
2.	Alaska	15.	Maine	28.	North Dakota
3.	Arizona	16.	Maryland	29.	Ohio
4.	Arkansas	17.	Massachusetts	30.	Oklahoma
5.	California	18.	Michigan	31.	Oregon
6.	Colorado	19.	Minnesota	32.	Pennsylvania
7.	Connecticut	20.	Mississippi	33.	Rhode Island
8.	Delaware	21.	Missouri	34.	South Dakota
9.	Florida	22.	Montana	35.	Utah
10.	Georgia	23.	Nevada	36.	Vermont
11.	Hawaii	24.	New Hampshire	37.	Virginia
12.	Illinois	25.	New Jersey	38.	Washington
13	Iowa	26	New Mexico	39.	West Virginia

Our Marijuana Dispensaries, Cultivation and Manufacturing

***Black Oak Gallery/Blü*m Oakland**

On April 1, 2016, we acquired Black Oak, which operates a medical and adult use marijuana dispensary in Oakland, California under the name Blüm. Black Oak opened its retail storefront in Oakland, California in November 2012.

Black Oak sells a combination of our own cultivated products as well as high quality name-brand products from outside suppliers. In addition to multiple grades of medical and adult use marijuana, Black Oak sells edibles, which include cannabis-infused baked goods, chocolates, and candies; cannabis-infused topical products, such as lotions, massage oils and balms; clones of marijuana plants; and numerous kinds of cannabis concentrates, such as hash, shatter and wax. Collectively known as the Blüm Campus, Black Oak's location consists of a retail dispensary storefront, indoor cultivation area, a distribution area and a 20-car capacity parking lot.

Silverstreak San Leandro

We incorporated Blüm San Leandro on October 14, 2016, which operates a medical and adult use marijuana dispensary and delivery service in San Leandro, California under the name Silverstreak. Blüm San Leandro has received the necessary governmental approvals and permitting to operate a medical and adult use marijuana dispensary and as well as a distribution facility in San Leandro, California. The San Leandro dispensary opened on January 11, 2019.

Oakland cultivation

We lease 13,000 square feet of industrial space on over 30,000 square feet of land in Oakland's industrial corridor where we operate a cannabis cultivation facility.

UMBRLA

On July 1, 2021, the Company acquired UMBRLA, Inc. UMBRLA operates The Spot dispensary in Santa Ana, California and owns the Korova, Cabana and Sticks brands.

People's

On November 22, 2021, the Company acquired People's First Choice, which owns a dispensary in Santa Ana, California. The Company also operates the People's Downtown Los Angeles dispensary, and has entered into agreements to acquire and operate additional People's dispensaries in Riverside and Costa Mesa, California.

Silverstreak

October 5, 2021, the Company acquired Silverstreak Solutions Inc., a cannabis delivery service based in Sacramento, California.

Oregon Distribution

The Company operates a distribution facility in Portland, Oregon.

NuLeaf

On October 26, 2017, the Company entered into joint venture agreements with NuLeaf Sparks Cultivation, LLC and NuLeaf Reno Production, LLC (collectively "NuLeaf") to build and operate cultivation and production facilities for our brand of cannabis products in Nevada. The agreements were subject to approval by the State of Nevada, the City of Sparks and the City of Reno in Nevada. Under the terms of the agreements, the Company remitted to NuLeaf an upfront investment of $4.50 million in the form of convertible loans bearing an interest rate of 6.0% per annum. The Company received all required permits and licenses from the State of Nevada and local authorities in 2018. As a result, the notes receivable balance was converted into a 50.0% ownership interest in Nuleaf. See Note 4— *"Variable Interest Entity Arrangements"*.

Our Operations

We are organized into two reportable segments:

- ***Cannabis Retail***– Includes cannabis-focused retail, both physical stores and non-store front delivery

- ***Cannabis Cultivation and Distribution-*** Includes cannabis cultivation, production and distribution operations

Either independently or in conjunction with third parties, we operate medical marijuana retail and adult use dispensaries, cultivation and production facilities in California, Oregon and Nevada.

Human Capital

As of December 31, 2021, we had 334 employees. Our employees are the heart of our Company. In a rapidly evolving industry, it is imperative that we attract, develop and retain top talent on an ongoing basis. To do this, we seek to make Unrivaled Brands an inclusive, diverse and safe workplace, with meaningful compensation and opportunities for career growth.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. Before deciding to purchase, hold, or sell our common stock, you should carefully consider the risks described below in addition to the cautionary statements and risks described elsewhere and the other information contained in this Report and in our other filings with the SEC, including subsequent reports on Forms 10-Q and 8-K. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these known or unknown risks or uncertainties actually occur, our business, financial condition, results of operations and/or liquidity could be seriously harmed, which could cause our actual results to vary materially from recent results or from our anticipated future results. In addition, the trading price of our common stock could decline due to any of these known or unknown risks or uncertainties, and you could lose all or part of your investment. An investment in our securities is speculative and involves a high degree of risk. You should not invest in our securities if you cannot bear the economic risk of your investment for an indefinite period of time and cannot afford to lose your entire investment. See also "Cautionary Note Concerning Forward-Looking Statements."

Summary of Risk Factors

Our business is subject to numerous risks and uncertainties, discussed in more detail in the following section. These risks include, among others, the following key risks:

Risks Relating to Our Business, Financial Position and Industry

- Our business may be adversely affected by the ongoing coronavirus pandemic.
- We have had significant changes to our operations, which may make it difficult for investors to predict future performance based on current operations.

- We have incurred significant losses in prior periods, and losses in the future could cause the quoted price of our Common Stock to decline or have a material adverse effect on our financial condition, our ability to pay our debts as they become due and on our cash flow.
- We will likely need additional capital to sustain our operations and will likely need to seek further financing, which we may not be able to obtain on acceptable terms, or at all. If we fail to raise additional capital, as needed, our ability to implement our business model and strategy could be compromised.
- We face intense competition and many of our competitors have greater resources that may enable them to compete more effectively.
- If we fail to protect our intellectual property, our business could be adversely affected.
- Although we believe that our products and processes do not and will not infringe upon the patents or violate the proprietary rights of others, it is possible such infringement or violation has occurred or may occur, which could have a material adverse effect on our business.
- Our trade secrets may be difficult to protect.
- Our business, financial condition, results of operations, and cash flow may in the future be negatively impacted by challenging global economic conditions.
- Our future success depends on our key executive officers and our ability to attract, retain, and motivate qualified personnel.
- We may not be able to effectively manage our growth or improve our operational, financial, and management information systems, which would impair our results of operations.
- If we are unable to continually innovate and increase efficiencies, our ability to attract new customers may be adversely affected.
- We are dependent on the popularity of consumer acceptance of our product lines
- A drop in the retail price of medical and adult use marijuana products may negatively impact our business.
- Federal regulation and enforcement may adversely affect the implementation of cannabis laws and regulations may negatively impact our revenues and profits.
- We could be found to be violating laws related to cannabis.
- Variations in state and local regulation, and enforcement in states that have legalized cannabis, may restrict cannabis-related activities, which may negatively impact our revenues and prospective profits.
- Prospective customers may be deterred from doing business with a company with a significant nationwide online presence because of fears of federal or state enforcement of laws prohibiting possession and sale of medical or recreational marijuana.
- Marijuana remains illegal under federal law.
- We are not able to deduct some of our business expenses.
- We may not be able to attract or retain a majority of independent directors.
- We may not be able to successfully execute on our merger and acquisition strategy.
- Laws and regulations affecting the medical and adult use marijuana industry are constantly changing, which could detrimentally affect our cultivation, production and dispensary operations
- We may not obtain the necessary permits and authorizations to operate the medical and adult use marijuana business.
- If we incur substantial liability from litigation, complaints, or enforcement actions, our financial condition could suffer.
- We may have difficulty accessing the service of banks, which may make it difficult for us to operate.
- Litigation may adversely affect our business, financial condition, and results of operations.
- Our insurance coverage may be inadequate to cover all significant risk exposures.
- We may become subject to legal proceedings and liability if our products are contaminated.
- Some of our lines of business rely on our third-party service providers to host and deliver services and data, and any interruptions or delays in these hosted services, security or privacy breaches, or failures in data collection could expose us to liability and harm our business and reputation.
- Disruptions to cultivation, manufacturing and distribution of cannabis in California, Oregon or Nevada may negatively affect our access to products for sale at our dispensaries.
- High tax rates on cannabis and compliance costs in California, Oregon and Nevada may limit our customer base.
- Federal income tax reform could have unforeseen effects on our financial condition and results of operations.
- Inadequate funding for the Department of Justice (DOJ) and other government agencies could hinder their ability to perform normal business functions on which the operation of our business may rely, which could negatively impact our business.

- California’s Phase-In of Laboratory Testing Requirements could impact the availability of the products sold in our dispensary.
- There is uncertainty related to the regulation of vaporization products and certain other consumption accessories. Increased regulatory compliance burdens could have a material adverse impact on our business development efforts and our operations.
- The scientific community has not yet extensively studied the long-term health effects of the use of vaporizer products.
- If product liability lawsuits are brought against us, we will incur substantial liabilities.
- Unionization of employees could have a material adverse impact on our business.
- Inadequate funding for state and local regulatory agencies and the effects of COVID-19 could hinder their ability to perform normal business functions on which the operation of our business may rely, which could negatively impact our business.
- Competition from Synthetic Production and Technological Advances could adversely impact our profitability.
- There are risks inherent in an Agricultural Business.
- We may suffer from Unfavorable Publicity or Consumer Perception.
- Our independent registered public accounting firm's report for the year ended December 31, 2021 is qualified as to our ability to continue as a going concern.

Risks Related to an Investment in Our Securities

- We expect to experience volatility in the price of our Common Stock, which could negatively affect stockholders’ investments.
- Our Common Stock is categorized as “penny stock,” which may make it more difficult for investors to sell their shares of Common Stock due to suitability requirements.
- Financial Industry Regulatory Authority (“FINRA”) sales practice requirements may also limit a stockholder’s ability to buy and sell our Common Stock, which could depress the price of our Common Stock.
- The elimination of monetary liability against our directors, officers, and employees under Nevada law and the existence of indemnification rights for our obligations to our directors, officers, and employees may result in substantial expenditures by us and may discourage lawsuits against our directors, officers, and employees.
- We may issue additional shares of Common Stock or Preferred Stock in the future, which could cause significant dilution to all stockholders.
- Anti-takeover effects of certain provisions of Nevada state law hinder a potential takeover of us.
- Because we do not intend to pay any cash dividends on our Common Stock, our stockholders will not be able to receive a return on their shares unless they sell them.
- Failure to execute our strategies could result in impairment of goodwill or other intangible assets, which may negatively impact profitability.

Risks Relating to Our Business, Financial Position and Industry

Our business may be adversely affected by the ongoing coronavirus pandemic.

In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan, China and has since spread around the globe. This virus continues to spread globally and efforts to contain the spread of COVID-19 have intensified. The outbreak and any preventative or protective actions that governments or we may take in respect of COVID-19 may result in a period of business disruption and reduced operations. Any resulting financial impact cannot be reasonably estimated at this time but may materially affect our business, financial condition and results of operations. The extent to which COVID-19 impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others. There may be interruptions to our supply chain due to the inability of manufacturers to continue normal business operations and to ship products. In addition, a significant outbreak of COVID-19 or other infectious diseases could result in a widespread health crisis that could adversely affect the economies and financial markets worldwide, resulting in an economic downturn that could impact our business, financial condition and results of operations. We are currently working to enhance our business continuity plans to include measures to protect our employees in the event of infection in our corporate offices, or in response to potential mandatory quarantines.

We have had significant changes to our operations, which may make it difficult for investors to predict future performance based on current operations.

We have had significant changes to our operations which changes the relevance of our historical performance upon which investors may base an evaluation of our potential future performance. In particular, we may not be able to sell cannabis products in a manner that enables us to be profitable and meet customer requirements, obtain the necessary permits and/or achieve certain milestones to develop our dispensary businesses, enhance our line of cannabis products, develop and maintain relationships with key manufacturers and strategic partners to extract value from our intellectual property, raise sufficient capital in the public and/or private markets, or respond effectively to competitive pressures. As a result, there can be no assurance that we will be able to develop or maintain consistent revenue sources, or that our operations will be profitable and/or generate positive cash flow.

Any forecasts we make about our operations may prove to be inaccurate. We must, among other things, determine appropriate risks, rewards, and level of investment in our product lines, respond to economic and market variables outside of our control, respond to competitive developments and continue to attract, retain, and motivate qualified employees. There can be no assurance that we will be successful in meeting these challenges and addressing such risks and the failure to do so could have a materially adverse effect on our business, results of operations, and financial condition. Our prospects must be considered in light of the risks, expenses, and difficulties frequently encountered by companies in the early stage of development. As a result of these risks, challenges, and uncertainties, the value of our stockholder's investment could be significantly reduced or completely lost.

We have incurred significant losses in prior periods, and losses in the future could cause the quoted price of our Common Stock to decline or have a material adverse effect on our financial condition, our ability to pay our debts as they become due and on our cash flow

We have incurred significant losses in prior periods. For the year ended December 31, 2021, we incurred a net loss of $31.47 million and, as of that date, we had an accumulated deficit of $250.02 million. For the year ended December 31, 2020, we incurred a net loss of $30.12 million and, as of that date, we had an accumulated deficit of $219.80 million. Any losses in the future could cause the quoted price of our Common Stock to decline or have a material adverse effect on our financial condition, our ability to pay our debts as they become due, and on our cash flow.

We will likely need additional capital to sustain our operations and will likely need to seek further financing, which we may not be able to obtain on acceptable terms, or at all. If we fail to raise additional capital, as needed, our ability to implement our business model and strategy could be compromised.

We have limited capital resources and operations. To date, our operations have been funded primarily from the proceeds of debt and equity financings. We expect to require substantial capital in the near future to fund our future operations. We may not be able to obtain additional financing on terms acceptable to us, or at all. In particular, because marijuana is illegal under federal law, we may have difficulty attracting investors.

Even if we obtain financing for our near-term operations, we expect that we will require additional capital thereafter. Our capital needs will depend on numerous factors including: (i) our profitability; (ii) the release of competitive products by our competition; (iii) the level of our investment in research and development; and (iv) the amount of our capital expenditures, including acquisitions. We cannot provide assurance that we will be able to obtain capital in the future to meet our needs.

If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership held by our existing stockholders will be reduced and our stockholders may experience significant dilution. In addition, new securities may contain rights, preferences, or privileges that are senior to those of our Common Stock. If we raise additional capital by incurring debt, this will result in increased interest expense. If we raise additional funds through the issuance of securities, market fluctuations in the price of our shares of Common Stock could limit our ability to obtain equity financing.

We cannot provide any assurance that any additional financing will be available to us, or if available, will be on terms favorable to us. If we are unable to raise capital when needed, our business, financial condition, and results of operations would be materially adversely affected, and we could be forced to reduce or discontinue our operations.

We face intense competition and many of our competitors have greater resources that may enable them to compete more effectively.

The industries in which we operate in general are subject to intense and increasing competition. Some of our competitors may have greater capital resources, facilities, and diversity of product lines, which may enable them to compete more effectively in this market. Our competitors may devote their resources to developing and marketing products that will directly compete with our product lines. Due to this competition, there is no assurance that we will not encounter difficulties in obtaining revenues and market share or in the positioning of our products. There are no assurances that competition in our respective industries will not lead to reduced prices for our products. If we are unable to successfully compete with existing companies and new entrants to the market, this will have a negative impact on our business and financial condition.

If we fail to protect our intellectual property, our business could be adversely affected.

Our viability will depend, in part, on our ability to develop and maintain the proprietary aspects of our intellectual property to distinguish our products from our competitors' products. We rely on copyrights, trademarks, trade secrets, and confidentiality provisions to establish and protect our intellectual property. We may not be able to enforce some of our intellectual property rights because cannabis is illegal under federal law.

Any infringement or misappropriation of our intellectual property could damage its value and limit our ability to compete. We may have to engage in litigation to protect the rights to our intellectual property, which could result in significant litigation costs and require a significant amount of our time. In addition, our ability to enforce and protect our intellectual property rights may be limited in certain countries outside the United States, which could make it easier for competitors to capture market position in such countries by utilizing technologies that are similar to those developed or licensed by us.

Competitors may also harm our sales by designing products that mirror our products or processes that do not infringe on our intellectual property rights. If we do not obtain sufficient protection for our intellectual property, or if we are unable to effectively enforce our intellectual property rights, our competitiveness could be impaired, which would limit our growth and future revenue.

We may also find it necessary to bring infringement or other actions against third parties to seek to protect our intellectual property rights. Litigation of this nature, even if successful, is often expensive and time-consuming to prosecute and there can be no assurance that we will have the financial or other resources to enforce our rights or be able to enforce our rights or prevent other parties from developing similar products or processes or designing around our intellectual property.

Although we believe that our products and processes do not and will not infringe or violate the intellectual property rights of others, it is possible such infringement or violation has occurred or may occur, which could have a material adverse effect on our business.

We are not aware of any infringement by us of any person's or entity's intellectual property rights. In the event that products we sell or processes we employ are deemed to infringe upon the patents or proprietary rights of others, we could be required to modify our products or processes or obtain a license for the manufacture and/or sale of such products or processes or cease selling such products or employing such processes. In such event, we may not be able to modify our products or secure a license in a timely manner, upon acceptable terms and conditions, or at all, and the failure to do any of the foregoing could have a material adverse effect upon our business.

We may not have the financial or other resources necessary to enforce or defend a patent infringement or proprietary rights violation action. If our products or processes are deemed to infringe or likely to infringe upon the patents or proprietary rights of others, we could be subject to injunctive relief and, under certain circumstances, become liable for damages, which could also have a material adverse effect on our business and our financial condition.

Our trade secrets may be difficult to protect.

Our success depends upon the skills, knowledge, and experience of our scientific and technical personnel, our consultants and advisors, as well as our licensors and contractors. Because we operate in several highly competitive industries, we rely in part on trade secrets to protect our proprietary technology and processes. However, trade secrets are difficult to protect. We enter into confidentiality or non-disclosure agreements with our corporate partners, employees, consultants, outside scientific collaborators, developers, and other advisors. These agreements generally require that the receiving party keep confidential and not disclose to third parties, confidential information developed by the receiving party or made known to the receiving party by us during the course of the receiving party's relationship with us. These agreements also generally

provide that inventions conceived by the receiving party in the course of rendering services to us will be our exclusive property, and we enter into assignment agreements to perfect our rights.

These confidentiality, inventions, and assignment agreements may be breached and may not effectively assign intellectual property rights to us. Our trade secrets could also be independently discovered by competitors, in which case we would not be able to prevent the use of such trade secrets by our competitors. The enforcement of a claim alleging that a party illegally obtained and was using our trade secrets could be difficult, expensive, and time consuming and the outcome would be unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. The failure to obtain or maintain meaningful trade secret protection could adversely affect our competitive position.

Our business, financial condition, results of operations, and cash flow may in the future be negatively impacted by challenging global economic conditions.

Future disruptions and volatility in global financial markets and declining consumer and business confidence could lead to decreased levels of consumer spending. These macroeconomic developments could negatively impact our business, which depends on the general economic environment and levels of consumer spending. As a result, we may not be able to maintain our existing customers or attract new customers, or we may be forced to reduce the price of our products. We are unable to predict the likelihood of the occurrence, duration, or severity of such disruptions in the credit and financial markets and adverse global economic conditions. Any general or market-specific economic downturn could have a material adverse effect on our business, financial condition, results of operations, and cash flow.

Our future success depends on our key executive officers and our ability to attract, retain, and motivate qualified personnel.

Our future success largely depends upon the continued services of our executive officers and management team. If one or more of our executive officers are unable or unwilling to continue in their present positions, we may not be able to replace them readily, if at all. Additionally, we may incur additional expenses to recruit and retain new executive officers. If any of our executive officers joins a competitor or forms a competing company, we may lose some or all of our customers. Finally, we do not maintain “key person” life insurance on any of our executive officers. Because of these factors, the loss of the services of any of these key persons could adversely affect our business, financial condition, and results of operations, and thereby an investment in our stock.

Our continuing ability to attract and retain highly qualified personnel will also be critical to our success because we will need to hire and retain additional personnel as our business grows. There can be no assurance that we will be able to attract or retain highly qualified personnel. We face significant competition for skilled personnel in our industries. In particular, if the marijuana industry continues to grow, demand for personnel may become more competitive. This competition may make it more difficult and expensive to attract, hire, and retain qualified managers and employees. Because of these factors, we may not be able to effectively manage or grow our business, which could adversely affect our financial condition or business. As a result, the value of your investment could be significantly reduced or completely lost.

We may not be able to effectively manage our growth or improve our operational, financial, and management information systems, which would impair our results of operations.

In the near term, we intend to expand the scope of our operations activities significantly. If we are successful in executing our business plan, we will experience growth in our business that could place a significant strain on our business operations, finances, management, and other resources. The factors that may place strain on our resources include, but are not limited to, the following:

- The need for continued development of our financial and information management systems;
- The need to manage strategic relationships and agreements with manufacturers, customers, and partners; and
- Difficulties in hiring and retaining skilled management, technical, and other personnel necessary to support and manage our business.

Additionally, our strategy envisions a period of rapid growth that may impose a significant burden on our administrative and operational resources. Our ability to effectively manage growth will require us to substantially expand the capabilities of our administrative and operational resources and to attract, train, manage, and retain qualified management and other personnel. There can be no assurance that we will be successful in recruiting and retaining new employees or retaining existing employees.

Our management may not be able to manage this growth effectively. Our failure to successfully manage growth could result in our sales not increasing commensurately with capital investments or otherwise materially adversely affecting our business, financial condition, or results of operations.

If we are unable to continually innovate and increase efficiencies, our ability to attract new customers may be adversely affected.

In the area of innovation, we must be able to develop new technologies and products that appeal to our customers. This depends, in part, on the technological and creative skills of our personnel and on our ability to protect our intellectual property rights. We may not be successful in the development, introduction, marketing, and sourcing of new technologies or innovations, that satisfy customer needs, achieve market acceptance, or generate satisfactory financial returns.

We depend on the popularity of consumer acceptance of our product lines.

Our ability to generate revenue and be successful in the implementation of our business plan is dependent on consumer acceptance and demand of our product lines. Acceptance of our products will depend on several factors, including availability, cost, ease of use, familiarity of use, convenience, effectiveness, safety, and reliability. If customers do not accept our products, or if we fail to meet customers' needs and expectations adequately, our ability to continue generating revenues could be reduced.

A drop in the retail price of medical and adult use marijuana products may negatively impact our business.

The demand for our products depends in part on the price of commercially grown marijuana. Fluctuations in economic and market conditions that impact the prices of commercially grown marijuana, such as increases in the supply of such marijuana and the decrease in the price of products using commercially grown marijuana, could cause the demand for marijuana products to decline, which would have a negative impact on our business.

Federal regulation and enforcement may adversely affect the implementation of cannabis laws and regulations may negatively impact our revenues and profits.
Currently, the CSA prohibits the manufacture, distribution, dispensation, and possession of cannabis. Unless Congress amends the CSA to alter the Schedule I status of cannabis, for which there can be no assurance,federal authorities may enforce current federal law, and we may be deemed to be producing, cultivating, or dispensing marijuana in violation of federal law. Active enforcement of the current federal regulatory position on cannabis may therefore indirectly and adversely affect our revenues and profits. The risk of strict enforcement of the CSA in light of Congressional activity, judicial holdings, and stated federal policy remains uncertain.

We could be found to be violating laws related to cannabis.
Currently, the CSA prohibits the manufacture, distribution, dispensation, and possession of cannabis. Unless Congress amends the CSA to alter the Schedule I status of cannabis, for which there can be no assurance federal authorities may enforce current federal law, including the CSA in appropriate circumstances. The risk of strict enforcement of the CSA in light of Congressional activity, judicial holdings, and stated federal policy remains uncertain. Because we cultivate, produce, sell and distribute marijuana, there is a risk that we will be deemed to facilitate the selling or distribution of medical marijuana in violation of federal law. Active enforcement of the CSA on cannabis may, hence cause a direct and adverse effect on our subsidiaries' businesses, or intended businesses, and on our revenue and prospective profits.

Variations in state and local regulation, and enforcement in states that have legalized cannabis, may restrict cannabis-related activities, which may negatively impact our revenues and prospective profits.

Individual state and local laws do not always conform to the federal standard or to other states' laws. A number of states have decriminalized marijuana to varying degrees, other states have created exemptions specifically for medical cannabis, and several have both decriminalization and medical laws. As of December 2021, 18 states and the District of Columbia have legalized the recreational use of cannabis. Variations exist among states that have legalized, decriminalized, or created medical marijuana exemptions. For example, certain states have limits on the number of marijuana plants that can be homegrown. In most states, the cultivation of marijuana for personal use continues to be prohibited except for those states that allow small-scale cultivation by the individual in possession of medical marijuana needing care or that person's caregiver. Active enforcement of state laws that prohibit personal cultivation of marijuana may indirectly and adversely affect our business and our revenue and profits.

If we are unable to obtain and maintain the permits and licenses required to operate our business in compliance with state and local regulations in California, Oregon and Nevada, we may experience negative effects on our business and results of operations.

Prospective customers may be deterred from doing business with a company with a significant nationwide online presence because of fears of federal or state enforcement of laws prohibiting possession and sale of medical or recreational marijuana.

Our website is visible in jurisdictions where medicinal and adult use of marijuana is not permitted and, as a result, we may be found to be violating the laws of those jurisdictions.

Marijuana remains illegal under federal law.

Marijuana is a Schedule I controlled substance and is illegal under federal law. Even in those states in which the use of marijuana has been legalized, its use remains a violation of federal law. Since federal law criminalizing the use of marijuana preempts state laws that legalize its use, strict enforcement of federal law regarding marijuana would likely result in our inability to proceed with our business plan, especially in respect of our marijuana cultivation, production and dispensaries. In addition, our assets, including real property, cash, equipment and other goods, could be subject to asset forfeiture because marijuana is still federally illegal.

We are not able to deduct some of our business expenses.

Section 280E of the Internal Revenue Code prohibits marijuana businesses from deducting their ordinary and necessary business expenses, forcing us 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 nondeductible expenses is to its total revenues. Therefore, our marijuana business may be less profitable than it could otherwise be.

We may not be able to attract or retain a majority of independent directors.

Our board of directors is currently comprised of a majority of independent directors. However, through much of our history our board was not comprised of a majority of independent directors. We may in the future desire to list our common stock on The New York Stock Exchange ("NYSE") or The NASDAQ Stock Market ("NASDAQ"), both of which require that a majority of our board be comprised of independent directors. We may have difficulty attracting and retaining independent directors because, among other things, we operate in the marijuana industry, and as a result we may be delayed or prevented from listing our common stock on the NYSE or NASDAQ.

We may not be able to successfully execute on our merger and acquisition strategy.

Our business plan depends in part on merging with or acquiring other businesses in the marijuana industry. The success of any acquisition will depend upon, among other things, our ability to integrate acquired personnel, operations, products and technologies into our organization effectively, to retain and motivate key personnel of acquired businesses, and to retain their customers. Any acquisition may result in diversion of management's attention from other business concerns, and such acquisition may be dilutive to our financial results and/or result in impairment charges and write-offs. We might also spend time and money investigating and negotiating with potential acquisition or investment targets, but not complete the transaction.

Although we expect to realize strategic, operational and financial benefits as a result of our acquisitions, we cannot predict whether and to what extent such benefits will be achieved. There are significant challenges to integrating an acquired operation into our business.

Any future acquisition could involve other risks, including the assumption of unidentified liabilities for which we, as a successor owner, may be responsible. These transactions typically involve a number of risks and present financial and other challenges, including the existence of unknown disputes, liabilities, or contingencies and changes in the industry, location, or regulatory or political environment in which these investments are located, that our due diligence review may not adequately uncover and that may arise after entering into such arrangements.

Laws and regulations affecting the medical and adult use marijuana industry are constantly changing, which could detrimentally affect our cultivation, production and dispensary operations.

Local, state, and federal medical and adult use marijuana laws and regulations are broad in scope and subject to evolving interpretations, which could require us to incur substantial costs associated with compliance or alter certain aspects of our business plan. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of our business plan and result in a material adverse effect on certain aspects of our planned operations. In addition, it is possible that regulations may be enacted in the future that will be directly applicable to certain aspects of our cultivation, production

and dispensary businesses, and our business of selling cannabis products. We cannot predict the nature of any future laws, regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on our business.

We may not obtain the necessary permits and authorizations to operate our medical and adult use marijuana businesses.

We may not be able to obtain or maintain the necessary licenses, permits, authorizations, or accreditations for our cultivation, production and dispensary businesses, or may only be able to do so at great cost. In addition, we may not be able to comply fully with the wide variety of laws and regulations applicable to the medical and adult use marijuana industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations, or accreditations could result in restrictions on our ability to operate the medical and adult use marijuana business, which could have a material adverse effect on our business.

If we incur substantial liability from litigation, complaints, or enforcement actions, our financial condition could suffer.

Our participation in the medical and adult use marijuana industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, state, or local governmental authorities against us. Litigation, complaints, and enforcement actions could consume considerable amounts of financial and other corporate resources, which could have a negative impact on our sales, revenue, profitability, and growth prospects. We have not been, and are not currently, subject to any material litigation, complaint, or enforcement action regarding marijuana (or otherwise) brought by any federal, state, or local governmental authority.

We may have difficulty accessing the service of banks, which may make it difficult for us to operate.

Since the use of marijuana is illegal under federal law, many banks will not accept for deposit funds from businesses involved with the marijuana industry. Consequently, businesses involved in the marijuana industry often have difficulty finding a bank willing to accept their business. The inability to open or maintain bank accounts may make it difficult for us to operate our medical and adult use marijuana businesses. If any of our bank accounts are closed, we may have difficulty processing transactions in the ordinary course of business, including paying suppliers, employees and landlords, which could have a significant negative effect on our operations.

Litigation may adversely affect our business, financial condition, and results of operations.

From time to time in the normal course of our business operations, we may become subject to litigation that may result in liability material to our financial statements as a whole or may negatively affect our operating results if changes to our business operations are required. The cost to defend such litigation may be significant and may require a diversion of our resources. There also may be adverse publicity associated with litigation that could negatively affect customer perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable. Insurance may not be available at all or in sufficient amounts to cover any liabilities with respect to these or other matters. A judgment or other liability in excess of our insurance coverage for any claims could adversely affect our business and the results of our operations.

Our insurance coverage may not cover all significant risk exposures.

We will be exposed to liabilities that are unique to the products we provide. While we intend to maintain insurance for certain risks, the amount of our insurance coverage may not be adequate to cover all claims or liabilities, and we may be forced to bear substantial costs resulting from risks and uncertainties of our business. It is also not possible to obtain insurance to protect against all operational risks and liabilities. In particular, we have had difficulty obtaining insurance because we operate in the marijuana industry. The failure to obtain adequate insurance coverage on terms favorable to us, or at all, could have a material adverse effect on our business, financial condition, and results of operations. We do not have any business interruption insurance. Any business disruption or natural disaster could result in substantial costs and diversion of resources.

We may become subject to legal proceedings and liability if our products are contaminated.

We source some of our products from third-party suppliers. Although we verify that the products we receive from third-party suppliers are adequately tested, we may not identify all contamination in those products. Possible contaminates include pesticides, molds and fungus. If any of our products harm a customer, they may sue us in addition to the supplier,

and we may not have adequate insurance to cover any such claims, which could result in a negative effect on our results of operations.

Some of our lines of business rely on our third-party service providers to host and deliver services and data, and any interruptions or delays in these hosted services, security or privacy breaches, or failures in data collection could expose us to liability and harm our business and reputation.

Some of our lines of business and services, including our dispensaries, rely on services hosted and controlled directly by third-party service providers. We do not have redundancy for all of our systems, many of our critical applications reside in only one of our data centers, and our disaster recovery planning may not account for all eventualities. If our business relationship with a third-party provider of hosting or software services is negatively affected, or if one of our service providers were to terminate its agreement with us, we might not be able to deliver access to our data, which could subject us to reputational harm and cause us to lose customers and future business, thereby reducing our revenue.

We hold large amounts of customer data, some of which is hosted in third-party facilities. A security incident at those facilities or ours may compromise the confidentiality, integrity or availability of customer data. Unauthorized access to customer data stored on our computers or networks may be obtained through break-ins, breaches of our secure network by an unauthorized party, employee theft or misuse or other misconduct. It is also possible that unauthorized access to customer data may be obtained through inadequate use of security controls by customers. Accounts created with weak passwords could allow cyber-attackers to gain access to customer data. If there were an inadvertent disclosure of customer information, or if a third party were to gain unauthorized access to the information we possess on behalf of our customers, our operations could be disrupted, our reputation could be damaged and we could be subject to claims or other liabilities. In addition, such perceived or actual unauthorized disclosure of the information we collect or breach of our security could damage our reputation, result in the loss of customers and harm our business.

Because of the large amount of data we collect and manage using our hosted solutions, it is possible that hardware or software failures or errors in our systems (or those of our third-party service providers) could result in data loss or corruption, cause the information that we collect to be incomplete or contain inaccuracies that our customers regard as significant or cause us to fail to meet committed service levels. Furthermore, our ability to collect and report data may be delayed or interrupted by a number of factors, including access to the Internet, the failure of our network or software systems or security breaches. In addition, computer viruses or other malware may harm our systems, causing us to lose data, and the transmission of computer viruses or other malware could expose us to litigation. We may also find, on occasion, that we cannot deliver data and reports in near real time because of a number of factors, including failures of our network or software. If we supply inaccurate information or experience interruptions in our ability to capture, store and supply information in near real time or at all, our reputation could be harmed and we could lose customers, or we could be found liable for damages or incur other losses.

Loss of access to our data could have a negative impact on our business and results of operations. In particular, the states in which we operate require that we maintain certain information about our customers and transactions. If we fail to maintain such information, we could be in violation of state laws.

Disruptions to cultivation, manufacturing and distribution of cannabis in California, Oregon and Nevada may negatively affect our access to products for sale at our dispensaries.

California, Oregon and Nevada laws and regulations require us to purchase products only from licensed vendors and through licensed distributors. To date, a relatively small number of licenses have been issued in California to cultivate, manufacture and distribute cannabis products. We have obtained a license to distribute products from our cultivation and manufacturing facilities to our dispensaries, however we currently do not cultivate and manufacture enough of our own products to satisfy customer demand. In addition, we carry products cultivated and manufactured by third parties. As a result, if an insufficient number of cultivators, manufacturers and distributors are able to obtain licenses our ability to purchase products and have them delivered to our dispensaries may be limited and may impact our sales.

High tax rates on cannabis and compliance costs in California, Oregon and Nevada may limit our customer base.

The States of California, Oregon and Nevada impose excise tax on products sold at licensed cannabis dispensaries. Local jurisdictions typically impose additional taxes on cannabis products. In addition, we incur significant costs complying with state and local laws and regulations. As a result, products sold at our dispensaries will likely cost more than similar products sold by unlicensed vendors and we may lose market share to those vendors.

***Federal income tax reform could have unforeseen effects on our financial condition and results of operations*.**

The Tax Cuts and Jobs Act, or the Tax Act, was enacted on December 22, 2017, and contains many changes to U.S. federal tax laws. The Tax Act requires complex computations that were not previously provided for under U.S. tax law and significantly revised the U.S. tax code by, among other changes, lowering the corporate income tax rate from 35% to 21%, requiring a one-time transition tax on accumulated foreign earnings of certain foreign subsidiaries that were previously tax deferred and creating new taxes on certain foreign sourced earnings. As of December 31, 2021, the Company has completed its accounting for the tax effects of the 2017 Tax Act. However, additional guidance may be issued by the Internal Revenue Service, the Department of the Treasury, or other governing body that may significantly differ from our interpretation of the law, which may result in a material adverse effect on our business, cash flow, results of operations or financial conditions.

Inadequate funding for the DOJ and other government agencies could hinder their ability to perform normal business functions on which the operation of our business may rely, which could negatively impact our business.

In an effort to provide guidance to federal law enforcement, the DOJ has issued Guidance Regarding Marijuana Enforcement to all United States Attorneys in a memorandum from Deputy Attorney General David Ogden on October 19, 2009, in a memorandum from Deputy Attorney General James Cole on June 29, 2011 and in a memorandum from Deputy Attorney General James Cole on August 29, 2013. Each memorandum provides that the DOJ is committed to the enforcement of the CSA but, the DOJ is also committed to using its limited investigative and prosecutorial resources to address the most significant threats in the most effective, consistent, and rational way.

The DOJ has not historically devoted resources to prosecuting individuals whose conduct is limited to possession of small amounts of marijuana for use on private property but has relied on state and local law enforcement to address marijuana activity. In the event the DOJ reverses its stated policy and begins strict enforcement of the CSA in states that have laws legalizing medical marijuana and recreational marijuana in small amounts, there may be a direct and adverse impact to our business and our revenue and profits. Furthermore, H.R. 83, enacted by Congress on December 16, 2014, provides that none of the funds made available to the DOJ pursuant to the 2015 Consolidated and Further Continuing Appropriations Act may be used to prevent certain states, including Nevada, Oregon and California, from implementing their own laws that authorized the use, distribution, possession, or cultivation of medical marijuana. If a prolonged government shutdown occurs, it could enable the DOJ to enforce the CSA in states that have laws legalizing medical marijuana.

California's Phase-In of Laboratory Testing Requirements could impact the availability of the products sold in our dispensaries.

Beginning July 1, 2018, cannabis goods must meet all statutory and regulatory requirements. A licensee can only sell cannabis goods that have been tested by a licensed testing laboratory and have passed all statutory and regulatory testing requirements. In order to be sold, cannabis goods harvested or manufactured prior to January 1, 2018, must be tested by a licensed testing laboratory and must comply with all testing requirements in section 5715 of the Bureau of Cannabis Control ("BCC") regulations. Cannabis goods that do not meet all statutory and regulatory requirements must be destroyed in accordance with the rules pertaining to destruction.

There is uncertainty related to the regulation of vaporization products and certain other consumption accessories. Increased regulatory compliance burdens could have a material adverse impact on our business development efforts and our operations.

There is uncertainty regarding whether and in what circumstances federal, state, or local regulatory authorities will seek to develop and enforce regulations relative to vaporizer hardware and accessories that can be used to vaporize cannabis and/or tobacco. Further, it remains to be seen whether current or future regulations relating to tobacco vaporization products would also apply to cannabis vaporization products and related consumption accessories.

There has been increasing activity on the federal, state, and local levels with respect to scrutiny of vaporizer products. Federal, state, and local governmental bodies across the United States have indicated that vaporization products and certain other consumption accessories may become subject to new laws and regulations at the state and local levels. For example, in September 2019, the Administration announced a plan to ban the sale of most flavored e-cigarettes nationwide. At the state level, over 25 states have implemented statewide regulations that prohibit vaping in public places. In January 2015, the California Department of Health declared electronic cigarettes and certain other vaporizer products a health threat that should be strictly regulated like tobacco products, and in September 2019, California's governor issued an executive order on vaping, focused on enforcement and disclosure. Many states, provinces, and some cities have passed laws restricting the sale of electronic cigarettes and certain other tobacco vaporizer products. Some cities have also implemented more

restrictive measures than their state counterparts, such as San Francisco, which in June 2018, approved a new ban on the sale of flavored tobacco products, including vaping liquids and menthol cigarettes. In August 2020, California prohibited the sale of most flavored tobacco products, including menthol cigarettes.

The application of any new laws or regulations that may be adopted in the future, at a federal, state, or local level, directly or indirectly implicating cannabis vaporization products or consumption accessories could limit our ability to sell such products, result in additional compliance expenses, and require us to change our labeling and methods of distribution, any of which could have a material adverse effect on our business, results of operations and financial condition.

The scientific community has not yet extensively studied the long-term health effects of the use of vaporizer products.

Cannabis vaporizers and related products were recently developed and therefore the scientific community has not had a sufficient period of time to study the long-term health effects of their use. If the scientific community were to determine conclusively that use of any or all of these products poses long-term health risks, market demand for these products and their use could materially decline. Such a determination could also lead to litigation and significant regulation. Loss of demand for our product, product liability claims, and increased regulation stemming from unfavorable scientific studies on these products could have a material adverse effect on our business, results of operations, and financial condition.

If product liability lawsuits are brought against us, we will incur substantial liabilities.

We face an inherent risk of product liability. For example, we could be sued if any product we sell allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection acts.

Furthermore, vaporizer products and other similar consumption product manufacturers, suppliers, distributors, and sellers have recently become subject to litigation. While we have not been a party to any product liability litigation, several lawsuits have been brought against other manufacturers and sellers of smokeless products for injuries to health allegedly caused by use of smokeless products. We may be subject to similar claims in the future relating to vaporizer products that we sell. We may also be named as a defendant in product liability litigation against one of our suppliers by association, including in class action lawsuits. In addition, we may see increasing litigation over our vaporizer products or the regulation of our products as the regulatory regimes surrounding these products develop. If such lawsuits are filed against us in the future, we could incur substantial costs, including costs to defend the cases and possible damages awards.

If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit sales of our products. Even a successful defense of these hypothetical future cases would require significant financial and management resources. If we are unable to successfully defend these hypothetical future cases, we could face at least the following potential consequences:

- decreased demand for our products;
- injury to our reputation;
- costs to defend the related litigation;
- a diversion of management’s time and our resources;
- substantial monetary awards to users of our products;
- product recalls or withdrawals;
- loss of revenue; and
- a decline in our stock price.

In addition, while we continue to take what we believe are appropriate precautions, we may be unable to avoid significant liability if any product liability lawsuit is brought against us.

Unionization of employees could have a material adverse impact on our business.

Employees in our Blum Oakland and Blum San Leandro facilities are unionized. We could face an increased risk of work stoppages and higher labor costs wherever labor is organized. If additional employees at our dispensaries, production or cultivation facilities were to unionize, our relationship with our employees could be adversely affected. Accordingly, unionization of our employees could have a material adverse impact on our operating costs and financial condition and could force us to raise prices on our products or curtail operations.

Inadequate funding for state and local regulatory agencies and the effects of COVID-19 could hinder their ability to perform normal business functions on which the operation of our business may rely, which could negatively impact our business.

We operate in a highly regulated industry and rely on state and local regulatory agencies to issue licenses to operate our business and, in some cases, approve transfers of ownership interests in the event we intend to dispose of assets. Since the onset of the COVID-19 pandemic, many state and local regulatory agencies have been operating at reduced capacity which has resulted in delayed approvals of transfers of ownership interests.

Competition from synthetic production and technological advances could adversely impact our profitability.

The pharmaceutical industry may attempt to dominate the cannabis industry, and in particular, legal cannabis, 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 materially adversely affect the ability of the Company to secure long-term profitability and success through the sustainable and profitable operation of its business.

There are risks inherent in an agricultural business.

Medical and adult-use cannabis is an agricultural product. There are risks inherent in the cultivation business, such as insects, plant diseases and similar agricultural risks. Although the products are usually grown indoors or in green houses under climate-controlled conditions, there can be no assurance that natural elements will not have a material adverse effect on the production of the products and, consequentially, on the business, financial condition and operating results of the Company.

We may suffer from unfavorable publicity or consumer perception.

The legal cannabis industry in the U.S. is at an early stage of its development. Cannabis has been, and is expected to continue to be, a controlled substance. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of 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 cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity, reports or other media attention regarding cannabis in general, or associating the consumption of cannabis with negative effects or events, could have such a material adverse effect.

Our independent registered public accounting firm's report for the year ended December 31, 2021 is qualified as to our ability to continue as a going concern.

Due to the uncertainty of our ability to meet our current operating and capital expenses, in our audited annual financial statements as of and for the year ended December 31, 2021, our independent registered public accounting firm included a note to our financial statements regarding concerns about our ability to continue as a going concern. Recurring losses from operations raise substantial doubt about our ability to continue as a going concern. The presence of the going concern note to our financial statements may have an adverse impact on the relationships we are developing and plan to develop with third parties as we continue the commercialization of our products and could make it challenging and difficult for us to raise additional financing, all of which could have a material adverse impact on our business and prospects and result in a significant or complete loss of your investment.

Risks Related to an Investment in Our Securities

We expect to experience volatility in the price of our Common Stock, which could negatively affect stockholders' investments.

The trading price of our Common Stock may be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. The stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies with

securities traded in those markets. Broad market and industry factors may seriously affect the market price of companies' stock, including ours, regardless of actual operating performance. All of these factors could adversely affect our stockholders' ability to sell their shares of Common Stock or, if they are able to sell their shares, to sell their shares at a price that they determine to be fair or favorable.

Our Common Stock may be categorized as "penny stock," which may make it more difficult for investors to sell their shares of Common Stock due to suitability requirements.

Our Common Stock may be categorized as "penny stock." The SEC has adopted Rule 15g-9, which generally defines "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. The price of our Common Stock is significantly less than $5.00 per share and may therefore be considered a "penny stock." This designation imposes additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The penny stock rules require a broker-dealer buying our securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities given the increased risks generally inherent in penny stocks. These rules may restrict the ability and/or willingness of brokers or dealers to buy or sell our Common Stock, either directly or on behalf of their clients, may discourage potential stockholders from purchasing our Common Stock, or may adversely affect the ability of stockholders to sell their shares.

Financial Industry Regulatory Authority ("FINRA") sales practice requirements may also limit a stockholder's ability to buy and sell our Common Stock, which could depress the price of our Common Stock.

In addition to the "penny stock" rules described above, FINRA has adopted rules that require a broker-dealer to have reasonable grounds for believing that the investment is suitable for that customer before recommending an investment to a customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives, and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. Thus, the FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our Common Stock, which may limit investors' ability to buy and sell our shares of Common Stock, have an adverse effect on the market for our shares of Common Stock, and thereby depress our price per share of Common Stock.

The elimination of monetary liability against our directors, officers, and employees under Nevada law and the existence of indemnification rights for our obligations to our directors, officers, and employees may result in substantial expenditures by us and may discourage lawsuits against our directors, officers, and employees.

Our Articles of Incorporation contain a provision permitting us to eliminate the personal liability of our directors to us and our stockholders for damages for the breach of a fiduciary duty as a director or officer to the extent provided by Nevada law. We may also have contractual indemnification obligations under any future employment agreements with our officers or agreements entered into with our directors. The foregoing indemnification obligations could result in us incurring substantial expenditures to cover the cost of settlement or damage awards against directors and officers, which we may be unable to recoup. These provisions and the resulting costs may also discourage us from bringing a lawsuit against directors and officers for breaches of their fiduciary duties; and may similarly discourage the filing of derivative litigation by our stockholders against our directors and officers even though such actions, if successful, might otherwise benefit us and our stockholders.

We may issue additional shares of Common Stock or Preferred Stock in the future, which could cause significant dilution to all stockholders.

Our Articles of Incorporation authorize the issuance of up to 990,000,000 shares of Common Stock and 50,000,000 shares of preferred stock, with a par value of $0.001 per share. As of March 31, 2021, we had 527,729,921 shares of Common Stock outstanding; however, we may issue additional shares of Common Stock or preferred stock in the future in connection with a financing or an acquisition. Such issuances may not require the approval of our stockholders. In addition, certain of our outstanding rights to purchase additional shares of Common Stock or securities convertible into our Common Stock are subject to full-ratchet anti-dilution protection, which could result in the right to purchase significantly more shares of Common Stock being issued or a reduction in the purchase price for any such shares or both. Any issuance of additional shares of our Common Stock, or equity securities convertible into our Common Stock, including but not limited to, preferred stock, warrants, and options, will dilute the percentage ownership interest of all stockholders, may dilute the book value per share of our Common Stock, and may negatively impact the market price of our Common Stock.

Anti-takeover effects of certain provisions of Nevada state law hinder a potential takeover of us.

Nevada has a business combination law that prohibits certain business combinations between Nevada corporations and "interested stockholders" for three years after an "interested stockholder" first becomes an "interested stockholder," unless the corporation's board of directors approves the combination in advance. For purposes of Nevada law, an "interested stockholder" is any person who is (i) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding voting shares of the corporation or (ii) an affiliate or associate of the corporation and at any time within the three previous years was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then outstanding shares of the corporation. The definition of the term "business combination" is sufficiently broad to cover virtually any kind of transaction that would allow a potential acquirer to use the corporation's assets to finance the acquisition or otherwise to benefit its own interests rather than the interests of the corporation and its other stockholders.

The effect of Nevada's business combination law is potentially to discourage parties interested in taking control of us from doing so if they cannot obtain the approval of our Board. Both of these provisions could limit the price investors would be willing to pay in the future for shares of our Common Stock.

Because we do not intend to pay any cash dividends on our Common Stock, our stockholders will not be able to receive a return on their shares unless they sell them.

We intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our Common Stock in the foreseeable future. Declaring and paying future dividends, if any, will be determined by our Board, based upon earnings, financial condition, capital resources, capital requirements, restrictions in our Articles of Incorporation, contractual restrictions, and such other factors as our Board deems relevant. Unless we pay dividends, our stockholders will not be able to receive a return on their shares unless they sell them. There is no assurance that stockholders will be able to sell shares when desired.

Failure to execute our strategies could result in impairment of goodwill or other intangible assets, which may negatively impact profitability.

As of December 31, 2021, we had goodwill of $48.13 million and other intangible assets of $129.64 million, which represented 65.9% of our total assets. As of December 31, 2020, we have goodwill of $6.17 million and other intangible assets of $7.71 million, which represents 13.8% of our total assets. We evaluate goodwill for impairment on an annual basis or more frequently if impairment indicators are present based upon the fair value of each reporting unit. We assess the impairment of other intangible assets on an annual basis, or more frequently if impairment indicators are present, based upon the expected future cash flows of the respective assets. These valuations include management's estimates of sales, profitability, cash flow generation, capital structure, cost of debt, interest rates, capital expenditures, and other assumptions. Significant negative industry or economic trends, disruptions to our business, inability to achieve sales projections or cost savings, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in use of the assets or in entity structure, and divestitures may adversely impact the assumptions used in the valuations. If the estimated fair value of our reporting units changes in future periods, we may be required to record an impairment charge related to goodwill or other intangible assets, which would reduce earnings in such period.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

A summary of the offices and properties we lease or own are presented in the table below. Each of our facilities is considered to be in good condition, adequate for its purpose and suitably utilized according to the individual nature and requirements of the relevant operations.

Purpose	Location	Own or Lease	Base Monthly Rent	Lease Begin Date	Lease End Date
Non-storefront Delivery	Sacramento, CA	Lease	$ 11,000	5/1/2019	4/30/2024
Cultivation Facility	Oakland, CA	Lease	$ 26,225	1/1/2017	12/31/2024
Dispensary (Peoples OC)	Santa Ana, CA	Lease	$ 52,086	4/1/2018	3/31/2025
Dispensary (Blüm Oakland)/Cultivation Facility	Oakland, CA	Lease	$ 31,486	5/1/2016	3/31/2022
Dispensary (Silverstreak San Leandro)	San Leandro, CA	Lease	$ 26,225	1/1/2017	12/31/2024
Dispensary (Peoples DTLA)	Los Angeles, CA	Lease	$ 58,880	11/01/2019	10/31/2026
Dispensary (Peoples Riverside)	Riverside, CA	Lease	$ 79,200	9/1/2020	8/31/2027
Dispensary (Peoples Costa Mesa)	Costa Mesa, CA	Lease	$ 50,000	7/6/2021	7/5/2036
Distribution and Manufacturing Facility	Portland, OR	Lease	$ 10,000	7/1/2021	8/31/2026
Distribution Facility	Santa Rosa, CA	Lease	$ 6,750	8/15/2020	7/31/2023
Distribution and Manufacturing Facility	Chatsworth, CA	Lease	$ 28,800	4/1/2020	5/31/2022
Corporate Headquarters and Dispensary (The Spot)	Santa Ana, CA	Own			
Cultivation Facility [1]	Spanish Springs, NV	Own			
Building (Dyer) [2]	Santa Ana, CA	Own			

[1] *Subsequent event — Put up for sale in December 2021, sold in January 2022*
[2] *Subsequent event — Put up for sale in December 2021, sold in February 2022*

ITEM 3. LEGAL PROCEEDINGS

See Note 21 – *"Litigation and Claims"* of the Notes to Consolidated Financial Statements in Part II of this Annual Report on Form 10-K, which is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our Common Stock is quoted on the OTC Markets Group, Inc.'s OTCQX tier under the symbol "UNRV." On March 21, 2022, the closing bid price on the OTC Markets Group, Inc.'s OTCQX tier for our Common Stock was $0.177.

Holders

As of March 31, 2022, there were 504,438,333 shares of Common Stock issued and 527,729,921 shares of Common Stock outstanding (excluding shares of Common Stock issuable upon conversion or conversion into shares of Common Stock of all of our warrants and options) held by approximately 263 stockholders of record.

Dividends

We have not declared any dividends and we do not plan to declare any dividends in the foreseeable future. There are no restrictions in our Articles of Incorporation or Bylaws that prevent us from declaring dividends. The Nevada Revised Statutes, however, prohibit us from declaring dividends where, after giving effect to the distribution of the dividend:

- we would not be able to pay our debts as they become due in the usual course of business; or
- our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of stockholders who have preferential rights superior to those receiving the distribution, unless otherwise permitted under our Articles of Incorporation.

Securities Authorized for Issuance Under Equity Compensation Plans

On January 12, 2016, we adopted the 2016 Equity Incentive Plan (the "Plan"), and our stockholders approved the Plan at our annual meeting of stockholders that was held on September 26, 2016. Pursuant to the terms of the Plan, the maximum number of shares of Common Stock available for the grant of awards under the Plan shall not exceed 2.0 million. During the years ended December 31, 2016, 2017, and 2018, the Company granted ten-year options to directors, officers, and employees, pursuant to which such individuals are entitled to exercise options to purchase an aggregate of up to 0.13 million, 0.21 million, and 0.20 million shares of Common Stock, respectively. The options have exercise prices of $2.54 - $5.04 per share, and generally vest quarterly over a three-year period.

On December 11, 2018, the Company's Board of Directors approved the 2018 Equity Incentive Plan (the "Plan"). On June 20, 2019, the Company adopted the Amended and Restated 2018 Equity Incentive Plan (the "2018 Plan"), and our stockholders approved the Plan at our annual meeting of stockholders that was held September 23, 2019. Pursuant to the terms of the 2018 Plan, the maximum number of shares of Common Stock available for the grant of awards under the 2018 Plan shall not exceed 13.00 million. On February 14, 2020, the Board approved an amendment (the "Plan Amendment") to the Company's Amended and Restated 2018 Equity Incentive Plan (the "Plan") to increase the number of shares available for issuance thereunder by 28.98 million shares of Common Stock for a total of 43.98 million shares of Common Stock, plus the number of shares, not to exceed 2.00 million shares, that may become available under the Company's 2016 Equity Incentive Plan after termination of awards thereunder, subject to adjustment in accordance with the terms of the Plan. During the years ended December 31, 2021 and 2020, the Company granted ten-year options to directors, officers, and employees, pursuant to which such individuals are entitled to exercise options to purchase an aggregate of up to 58.98 million and 25.01 million shares of Common Stock, respectively. The options have exercise prices of $0.07 - $0.26 per share, and generally vest quarterly over a three-year period.

During the year ended December 31, 2018, the Company granted ten-year options to directors, officers, and employees, pursuant to which such individuals are entitled to exercise options to purchase an aggregate of up to 0.35 million shares of Common Stock that were not subject to the 2016 Equity Plan or the 2018 Equity Plan. The options have exercise prices of $2.02 per share, and generally vest quarterly over a three-year period.

On May 15, 2019, UMBRLA, Inc. approved the 2019 Equity Incentive Plan (the "2019 Plan"). The Plan was subsequently amended by shareholder consents dated effective March 11, 2020 and November 2, 2020. Pursuant to the terms of the 2019 Plan as amended, the maximum number of shares of Common Stock available for the grant of awards under the 2019 Plan is 55.0 million shares. At the time the acquisition of UMBRLA, Inc. completed, UMBRLA, Inc. had granted ten-year options to employees, directors, officers, and consultants totaling 53,956,980 shares. Immediately after the acquisition of

UMBRLA, Inc. by the Company, those shares were assumed by the Company and will be honored in equivalent shares of Company Common Stock—which equivalency equals an aggregate 83,017,097 shares. The options have exercise prices of $0.13 to $0.19, and with limited exceptions, vest in equal monthly installments over a four-year period, with the first one-quarter of the award vesting on the first anniversary following the vesting start date.

	Equity Compensation Plan Information		
Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Range of Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity Compensation Plans Approved By Security Holders	87,930,786	$ 0.072-5.035	42,195,639
Equity Compensation Plans Not Approved By Security Holders	320,594	2.02	—
Total	**88,251,380**	$ 0.072-5.035	**42,195,639**

Penny Stock Regulations

The SEC has adopted regulations that generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share. Our Common Stock may fall within the definition of penny stock and be subject to rules that impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors (generally those with assets in excess of $1.00 million (excluding primary residence), or annual incomes exceeding $0.20 million individually, or $0.30 million, together with their spouse).

For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser's prior written consent to the transaction. Additionally, for any transaction, other than exempt transactions, involving a penny stock, the rules require the delivery, prior to the transaction, of a risk disclosure document mandated by the SEC relating to the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and, if the broker-dealer is the sole market-maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market. Finally, monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. Consequently, the "penny stock" rules may restrict the ability of broker-dealers to sell our Common Stock and may affect the ability of investors to sell their Common Stock in the secondary market.

Recent Sales of Unregistered Securities

On February 28, 2022, the Company sold 25,000,000 shares for an aggregate sales price of $4.38 million to Arthur Chan, an unrelated party. The shares were restricted.

Equity Financing Facility

On September 17, 2021, the Company filed for a shelf registration renewal on Form S-3 with the SEC. Our existing registration statement was extended six months as the SEC reviewed our request. On February 12, 2022 the shelf registration was declared effective by the SEC. The registration statement will allow the Company to issue, from time to time at prices and on declared terms to be determined at or prior to the time of the offering, shares of our Common Stock, par value $0.001 per share, shares of our preferred stock, par value $0.001 per share (our "Preferred Stock"), debt securities, warrants, rights, or purchase contracts, either individually or in units, with a total value of up to $100.00 million.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes thereto included elsewhere in this Annual Report on Form 10-K beginning on page F-1. The following discussion contains forward-looking statements that involve risks and uncertainties. Investors should not place undue reliance on these forward-looking statements. These forward-looking statements are based on current expectations and actual results could differ materially from those discussed herein. Factors that could cause or contribute to the differences are discussed in Item 1A, "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Our actual results could differ materially from those predicted in these forward-looking statements, and the events anticipated in the forward-looking statements may not actually occur. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this Annual Report on Form 10-K to conform these statements to actual results or to reflect the occurrence of unanticipated events, unless required by applicable laws or regulations.

Results of Operations

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

Revenues– For the year ended December 31, 2021, we generated revenues from continuing operations of approximately $47.67 million, compared to approximately $6.16 million for the year ended December 31, 2020, an increase of $41.51 million. The year-over-year increase was driven by increase in existing dispensary revenue of $3.15 million, acquired dispensary revenue of $15.99 million and acquired distribution revenue of $23.05 million offset by the reclassification of Nuleaf revenues to discontinued operations. The existing dispensary revenue achieved a 36.8% increase over 2020 as we rebound from the initial impact of COVID-19 and civil unrest.

Gross Profit and Gross Margin– Our gross profit for the year ended December 31, 2021 was approximately $11.97 million, compared to a gross profit of approximately, $2.64 million for the year ended December 31, 2020, an increase of $9.32 million. Our gross margin for the year ended December 31, 2021 was 25.1% compared with the gross margin of 42.9% for the year ended December 31, 2020. The year over year margin decrease was due to the inclusion of the lower margin distribution operation into the portfolio in 2021. In 2020, the operation was exclusively retail.

Selling, General and Administrative Expenses– Selling, general and administrative expenses for the year ended December 31, 2021 were approximately $48.26 million, compared to approximately $19.32 million for the year ended December 31, 2020, an increase of $28.94 million. In general the increase was due to costs associated with the acquisitions brought on-board in 2021 that resulted in a significantly larger company. We ended 2021 with six retail operations compared with two in 2020; as well as three distribution centers compared to none in 2020; and we ended 2021 with 334 employees compared to 52 employees at the end of 2020. As a result of operating a larger organization, we saw increases in the following areas: (i) a $4.38 million increase in salaries / payroll taxes (excluding severance), (ii) a $3.13 million increase in amortization and depreciation expenses, (iii) a $2.45 million increase in allowance for doubtful accounts, (iv) a $1.93 million increase in business and city taxes, (v) a $1.90 million increase in stock compensation expense, (vi) a $1.71 million increase in consulting and professional fees, (vii) a $1.39 million increase in insurance expense, (viii) a $1.10 million increase in advertising and promotion expense, (ix) a $1.09 million increase in security expense, and (x) a $0.87 million increase in rent expense. Another significant driver of expense increase in 2021 was a $9.10 million severance expense for the departure of the company's founders. This was an increase of $9.05 million over the year ended December 31, 2020.

Other Operating Gain/Expense – Other operating expenses for the year ended December 31, 2021 were approximately $3.04 million, compared to Other expenses of $19.91 million in the year ended December 31, 2020, a decrease of $16.87 million. The 2021 activity had $6.18 million of goodwill impairment charges compared to $19.91 million of like charges in 2020. In 2021 we also had $3.13 million gain on sale of assets.

Other Income / (Expense) – Other expense for the year ended December 31, 2021 was approximately $2.85 million compared to Other income of $28.58 million for the year ended December 31, 2020, an increase of $31.43 million. The year-over-year decrease was primarily due to 2020 income driven by the mark-to-market of the company's investment in Hydrofarm Holdings, a $29.04 million unrealized gain. 2021 saw an additional gain of $5.34 million when we sold the Hydrofarm Holdings investment, however that was offset by $5.98 million of extinguishment of debt costs.

Management will continue its efforts to lower operating expenses and increase revenue. We will continue to invest in further expanding our operations and a comprehensive marketing campaign with the goal of accelerating the education of potential clients and promoting our name and our products. Given that most of the operating expenses are fixed or have a quasi-fixed character, management expects that, as revenue increases, those expenses, as a percentage of revenue, will significantly decrease. Nevertheless, there can be no assurance that we will be able to increase our revenues in succeeding quarters.

Going Concern

We have incurred significant losses in prior periods. For the year ended December 31, 2021, we incurred a net loss of $31.27 million and, as of that date, we had an accumulated deficit of $250.02 million. For the year ended December 31, 2020, we incurred a net loss of $30.12 million and, as of that date, we had an accumulated deficit of $219.80 million. At December 31, 2021, we had a cash balance of approximately $6.89 million, compared to a cash balance of approximately $0.89 million at December 31, 2020. We have not been able to generate sufficient cash from operating activities to fund our ongoing operations. Since our inception, we have raised capital through private sales of common stock, and debt securities. Our future success is dependent upon our ability to achieve profitable operations and generate cash from operating activities. Management feels that our past and current efforts to trim cost and our recent marketing and promotional efforts to boost sales will lead to cash sustainability, however there is no guarantee that we will be able to generate enough revenue and/or raise capital to support our operations.

We anticipate receiving approximately $15 million over the next three months as compensation for asset sales. We anticipate these cash in-flows and acquisitions of complementary businesses to allow for our operations to grow to cash sustainability.

Given the risks and uncertainties regarding the future of our business due to COVID-19 and regulatory uncertainty, as well as our historical lack of profitability, there is substantial doubt as to our ability to continue as a going concern for twelve months from the issuance of these financial statements. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which contemplate our continuation as a going concern. For additional information, see Item 1A – *"Risk Factors"*in Part I of this Annual Report on Form 10-K.

Sources and Uses of Cash

Cash Used in Operating Activities

Cash used in operating activities for the year ended December 31, 2021 was approximately $17.75 million, compared to approximately $14.84 million for the year ended December 31, 2020. The $2.91 million increase in cash used was due to operating more stores, more distribution centers, and more cultivation sites in 2021 compared to 2020.

Cash Used in Investing Activities

Cash provided in investing activities for the year ended December 31, 2021 was approximately $20.79 million, compared to $11.80 million provided in investing activities for the year ended 2020, an increase of $8.99 million. This increase was driven by the $39.38 million in proceeds from sales of the Hydrofarm investment partially offset by $24.40 million paid for the People's and Silverstreak acquisitions.

Cash Provided by Financing Activities

Cash provided by financing activities for the year ended December 31, 2021 was approximately $4.50 million, compared to $2.70 million for the prior year. This is an increase of $1.80 million year-over-year. The cash provided by financing activities in 2021 had less cash provided by issuance of notes payable and more cash provided by issuance of common stock than 2020.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Policies

We disclose those accounting policies that we consider to be significant in determining the amounts to be utilized for communicating our consolidated financial position, results of operations and cash flows in Note 2 – *"Summary of*

*Significant Accounting Policies"*to our consolidated financial statements included elsewhere herein. Our discussion and analysis of our financial condition, results of operations, and cash flows are based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of financial statements in conformity with these principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results are likely to differ from these estimates, but management does not believe such differences will materially affect our financial position or results of operations.

See Note 2 –*"Summary of Significant Accounting Policies"* to our Financial Statements for further information on accounting policies that we believe to be critical, including our policies on:

Business Combinations
Revenue Recognition
Stock-Based Compensation
Notes Receivable
Goodwill
Long-Lived and Intangible Assets
Valuation of Inventory
Deferred Income Taxes
Fair Value Estimates

Recently Adopted and Issued Accounting Standards

See Note 2 – *"Summary of Significant Accounting Policies"* to our Financial Statements for information regarding accounting standards adopted in 2021 and other new accounting standards that were issued but not effective as of December 31, 2021.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make judgments, assumptions and estimates that have a significant impact on the results that we report in our financial statements. A critical accounting estimate is defined as one that is both material to the presentation of our financial statements and requires management to make difficult, subjective, or complex judgments that could have a material effect on our financial condition and results of operations.

Estimates and assumptions about future events and their effects cannot be determined with certainty. We base our estimates on historical experience and on various other assumptions believed to be applicable and reasonable under the circumstances. These estimates may change as new events occur, as additional information is obtained and as our operating environment changes. Based on a critical assessment of our accounting policies and the underlying judgments and uncertainties affecting the application of those policies, management believes that our financial statements are fairly stated in accordance with accounting principles generally accepted in the United States and present a meaningful presentation of our financial condition and results of operations.

Our critical accounting estimates include:

- Valuation of long-lived assets, including intangible assets and goodwill
- Valuation allowance for deferred tax assets. (See notes 2 and 12 to the consolidated financial statements)

Below, we discuss this policy further, as well as the estimates and judgments involved. Actual results could differ from these estimates.

Valuation of Long-Lived Assets, Including Intangible Assets and Goodwill

We carry a variety of long-lived assets on our balance sheet including property, plant and equipment, goodwill, and other intangibles. Impairment is the condition that exists when the carrying amount of a long-lived asset exceeds its fair value, and any impairment charge that we record reduces our operating income. Goodwill is the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. We conduct impairment tests on goodwill annually as of September 30, or more frequently whenever events or changes in circumstances indicate an impairment may exist. We conduct impairment tests on long-lived assets, other than goodwill, whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Long-lived assets other than goodwill and indefinite-lived intangible assets, held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The Company evaluates recoverability of assets to be held and used and if the carrying value is not recoverable, management estimates the fair value of the asset and compares it to the carrying value. If the asset is considered to be impaired, the impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. Management determines the asset's fair value utilizing estimates such as management's short-term and long-term forecast of operating performance, the remaining useful life and service potential of the asset.

We perform our annual trade name impairment assessment by comparing the estimated fair value of the trade name to the carrying value. We utilize the Relief from Royalty method, which utilizes estimates and assumptions that include management's revenue forecast, royalty rates avoided, and a discount rate based on the Company's estimated cost of equity. In selecting appropriate royalty and discount rates, comparable public companies and royalty transactions are examined. Selection of appropriate comparable companies and royalty transactions involves a significant amount of judgement.

We perform our annual goodwill impairment assessment for the Black Oak Gallery reporting unit by comparing the estimated fair value of the reporting unit to the carrying value. We utilized the Guideline Public Company valuation method, which evaluates the prices paid for publicly traded company equities as the basis to determine the fair value of the subject company. The analysis involves significant assumptions regarding the selection of comparable public companies, revenue multiple, and control premium. When performing tests for impairment in between annual tests, management may at times use alternative approaches to estimating the fair value of the Black Oak Gallery reporting unit. These approaches consider trends in the Company's overall market capitalization and operating results.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

Our consolidated financial statement as of December 31, 2021 and 2020, together with the related notes and the report of our independent registered public accounting firm, are set forth on page F-1 through F-38 of this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation and supervision of our Chief Executive Officer and Chief Financial Officer, is responsible for our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified under SEC rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, including the Chief Executive Officer and the Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2021. Based on this evaluation, our management concluded that as of December 31, 2021 these disclosure controls and procedures were not effective at the reasonable assurance level. As discussed below, our internal control over financial reporting is an integral part of our disclosure controls and procedures.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, and effected by our board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of inherent limitations, no matter how well designed and operated, internal control over financial reporting may not prevent or detect misstatements and can only provide reasonable assurance of achieving the desired control objectives. In addition, the design of internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Our Chief Executive Officer and Chief Financial Officer have performed an evaluation of our internal control over financial reporting under the framework in *Internal Control-Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. The objective of this assessment was to determine whether our internal control over financial reporting was effective at December 31, 2021.

Based on the results of its assessment, our management concluded that our internal control over financial reporting was not effective as of December 31, 2021 based on such criteria due to material weaknesses in internal control over financial reporting described below:

Material Weaknesses in Internal Control over Financial Reporting

- The Company's primary user access controls (i.e. provisioning, de-provisioning, and quarterly user access review) to ensure appropriate segregation of duties that would adequately restrict user and privileged access to the financially relevant systems and data to appropriate Company personnel were not operating effectively. Automated process-level controls and manual controls that are dependent upon the information derived from such financially relevant systems were also determined to be ineffective as a result of such deficiency.
- The Company did not maintain adequate and timely review transactions and account reconciliations resulting in material audit adjustments.

Remediation Plan

We plan to enhance our internal control over financial reporting in an effort to remediate the material weaknesses described above. We are committed to ensuring that our internal control over financial reporting is designed and operating effectively. Our remediation process will include:

- Investing in IT systems to enhance our operational and financial reporting and internal controls.
- Enhancing the organizational structure to support financial reporting processes and internal controls.
- Providing guidance, education and training to employees relating to our accounting policies and procedures.
- Further developing and documenting detailed policies and procedures regarding business processes for significant accounts, critical accounting policies and critical accounting estimates.
- Establishing effective general controls over IT systems to ensure that information produced can be relied upon by process level controls is relevant and reliable.

We expect to remediate these material weaknesses during 2022. However, we may discover additional material weaknesses that may require additional time and resources to remediate.

We believe that the consolidated financial statements included in this Annual Report on Form 10-K for the year ended December 31, 2021 fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with GAAP.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter ended December 31, 2021, that have materially affected, or are likely to materially affect, our internal control over financial reporting.

Inherent Limitation on the Effectiveness of Internal Controls

The effectiveness of any system of internal control over financial reporting is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting can only provide reasonable, not absolute, assurances. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business but cannot assure that such improvements will be sufficient to provide us with effective internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On April 11, 2022, the Company and People's California, LLC agreed to amend a portion of the November 22, 2021 Closing Documents (Primary Membership Interest Purchase Agreement, Secondary Membership Interest Purchase Agreement, Secured Promissory Note, and other ancillary agreements) . The company will pay People's California, LLC $3 million upon execution of this amendment and $5 million in June of 2022. The remainder of the promissory note held by People's California, LLC shall be subordinated to a future debt facility. The promissory note becomes convertible to the Company's Common Stock at a yet to be agreed upon exercise price.

On April 12, 2022, the Company and Francis Knuettel, formerly the Company's Chief Executive Officer, agreed to terms on a separation agreement. The company agreed to pay Mr. Knuettel 50% of his annual base salary and continue his medical benefits for a period of six months. Mr. Knuettel's unvested shares and options shall vest immediately. As part of this agreement Mr. Knuettel has resigned as a director of the Company.

On April 14, 2022, the Company and Dallas Imbimbo, an advisor to the company and a director of the Company, agreed to terms on a separation agreement. The company agreed to vest 100% of Mr. Imbimbo's restricted common stock granted pursuant to the Advisor agreement with Mr. Imbimbo. The company agreed to vest 100% of the options to purchase shares of the Company's common stock granted as part Mr. Imbimbo's Independent Director Agreement. The Company will pay Mr. Imbimbo $83,333.30 in cash compensation. As part of this agreement Mr. Imbimbo has resigned as a director of the Company and as an Advisor to the company.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Name	Director or Officer Since	Age	Positions
Eric Baum	2020	45	Chairman of the Board
Tiffany Davis	2021	43	Interim Chief Executive Officer and Director
Nicholas Kovacevich	2020	36	Director
Jeffrey Batliner	2020	56	Chief Financial Officer

Eric Baum
Chairman of the Board

Mr. Baum brings over twenty years of experience in advising Executive leadership teams for both well-established Fortune 500 companies and emerging ventures, across a spectrum of industries including life sciences, legal cannabis, education, travel, technology, and real estate. In his concurrent roles as Managing Director of Acquis Consulting Group since 2003 and Managing Director / Co-Founder of its affiliate company, Solidea Capital since 2006, he leverages his extensive management and operational consulting expertise to guide companies in areas such as corporate strategy, market positioning, growth and scale strategies, trajectory management, M&A, partnering frameworks, risk evaluation, and more. He serves in several advisory and Board of Director roles for public and private companies such as Kushco Holdings, Starton Therapeutics, Big Rentz,Tenant Tracker, B Great, and Trip Kicks, supporting the full lifecycle of needs from initial business building through expansion and growth strategies.

In addition to advising companies on how to scale to the next level, Mr. Baum founded and leads a rapidly growing real estate investment firm operating in several U.S. markets. He is also actively involved in the venture capital arena as a participant in several investment-focused groups, such as the Charlotte Angel Fund. His exposure to companies across all stages of development and breadth of knowledge in the venture space position him well to provide a unique perspective and challenge the status quo when needed. Eric holds a Bachelor of Business Administration from Emory University, where he graduated Valedictorian. He was awarded the Goizueta Business School Organizational Management Highest Award for Excellence and was inducted into Beta Gamma Sigma, the highest national business honor society. Mr. Baum's extensive background in advising corporate leaders and finance experience led to his appointment as a Director.

Nicholas Kovacevich
Director

Mr. Kovacevich is the CEO of Greenlane Holdings, Inc., a leading provider of ancillary products and services to businesses in the legal cannabis industry. Mr. Kovacevich graduated Summa Cum Laude from Southwest Baptist University with a Bachelor of Science in Sports Management. After college, Mr. Kovacevich began his entrepreneurial career by building and exiting Pack My Dorm. He continued on to found several other successful businesses including BigRentz, Inc., a leading online equipment rental company, and Alpha West Holdings, a diversified holding company whose portfolio businesses' generate a combined $100M+ in annual sales. Recently, Kovacevich was appointed to California's 32nd DAA Orange County Fair Board by California Governor Newsom.

Tiffany Davis
Interim Chief Executive Officer and Director

Ms. Davis has been the Chief Executive Officer, Chief Financial Officer and a member of the Board of Directors of Generation Alpha, Inc. since October 2019. Ms. Davis previously served as Generation Alpha's Chief Operating Officer between February 2018 and September 2019, and as a member of the Board between August 2018 and September 2019. Ms. Davis has had 19 years of experience as a financial professional working in both management consulting and private equity. She has held several key leadership positions in accounting, finance, and operations. She has extensive experience in supply chain functionality, financial and operational due diligence, cash flow forecasting, financial statement analysis,
development and value retention in a number of industries including most recently in the cannabis industry. Since June 2019, Ms. Davis has been the founder and manager of Trilogy Wellness Brands LLC and Trilogy Wellness Manufacturing LLC, companies developing and manufacturing premium products from hemp CBD. From 2016 through 2017, Ms. Davis

worked as a senior executive for a US based cannabis consulting group supporting legal grows, assisting in license applications, developing programs for cultivators, business structuring for medical dispensaries including developing M&A
opportunities and initiation of several start-up ventures. Beginning in 2012 into 2016, Ms. Davis worked as a Group Vice President for a US based private equity group, performing due diligence tasks resulting in placing hundreds of millions of dollars in creative investment and debt instruments for appropriate investment opportunities. From 2009 to 2011, Ms. Davis was a Manager of Corporate Advisory for Grant Thornton, one of the Big 6 worldwide accounting firms, again in accounting and supply chain services during the automotive crisis in the US, specifically on the Chrysler turnaround project. From 2005-2008, Ms. Davis worked for an international technology sector company with $500 million in revenues as a Vice President of Special Projects for an automobile parts sourcing project in India from the company's headquarters in Chicago, IL. Ms. Davis received her B.S. from DePaul University in 2002 and a MBA from University of Chicago Graduate School of Business in 2009. Ms. Davis's valuable insight and knowledge of the cannabis industry, coupled with her extensive financial and operational experience, qualifies her to serve on our Board.

Jeffrey Batliner
Chief Financial Officer

Mr. Batliner, Chief Financial Officer of Unrivaled Brands, Inc., joined the Company in December of 2018 when he was hired as the Director of Financial Reporting, where his responsibilities focused on SEC Reporting as well as Financial Planning and Analysis. During Mr. Batliner's tenure in that role, he was instrumental in improving internal and external reporting processes as well as implementing more robust budgeting and planning processes. Mr. Batliner was promoted to his current role as Chief Financial Officer on October 6, 2020. Prior to Terra Tech, he served in various Financial Planning and Analysis roles spanning multiple industries. From 1996 to 2003, he led the FP&A team for Canon USA's computer peripheral products division. Mr. Batliner was at Sage, a global business software provider, from 2003 to 2014. He built out the finance team supporting Sage's shared services division and led several FP&A teams supporting multiple business units. From 2015 to 2018, he created the FP&A team at Iteris, Inc., a transportation management firm, as the company experienced significant growth. Mr. Batliner holds a Master's in Business Administration from Pepperdine University and a Bachelor's in Finance from California State Fullerton.

Family Relationships

There are no family relationships among any of our directors or executive officers.

Director Qualifications

We believe that our directors should have the highest professional and personal ethics and values, consistent with our values and standards. They should have broad experience at the policy-making level in business or banking. They should be committed to enhancing stockholder value and should have sufficient time to carry out their duties and to provide insight and practical wisdom based on experience. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform responsibly all director duties for us. Each director must represent the interests of all stockholders. When considering potential director candidates, the Board also considers the candidate's character, judgment, diversity, age and skills, including financial literacy and experience in the context of our needs and the needs of the Board.

Independent Director Agreements

Pursuant to an Independent Director Agreement dated December 11, 2020 by and between us and Nicholas Kovacevich, we agreed to grant Mr. Kovacevich 150,000 restricted shares of stock, to be fully vested on the date of appointment. On February 1, 2021, the Company and Mr. Kovacevich amended the Independent Director Agreement, as amended (the "Kovacevich Agreement"). Per the Kovacevich Agreement, (1) the Company issued to Mr. Kovacevich 500,000 restricted shares of the Company's common stock (the "Common Stock"), which vest in twelve equal installments on the first day of each month beginning on March 1, 2021 (provided Mr. Kovacevich is a director of the Company on the applicable vesting date) and (2) the Company agreed to pay Mr. Kovacevich cash compensation of $5,000 per month, payable on the first day of each month beginning March 1, 2021 for the term of the Kovacevich Agreement.

Pursuant to an Independent Director Agreement dated December 11, 2020 by and between us and Ira Ritter, we agreed to grant Mr. Ritter 150,000 restricted shares of stock, to be fully vested on the date of appointment. On February 1, 2021, the Company and Mr. Ritter amended the Independent Director Agreement, as amended (the "Ritter Agreement"). Pursuant to the Ritter Agreement, (1) the Company issued to Mr. Ritter an option to purchase 500,000 shares of Common Stock at the closing price of the Common Stock on the date of the Ritter Agreement, which vest in twelve equal installments on the first day of each month beginning on March 1, 2021 (provided Mr. Ritter is a director of the Company on the applicable vesting

date) and (2) the Company agreed to pay Mr. Ritter cash compensation of $5,000 per month, payable on the first day of each month beginning March 1, 2021 for the term of the Ritter Agreement.

On July 1, 2021, we have entered into that certain Independent Director Agreement with each of Eric Baum and Dallas Imbimbo (collectively, the “Director Agreements”). Pursuant to the Director Agreements, (1) the Company agreed to enter into a Stock Option Agreements to issue to each of Mssrs. Imbimbo and Baum an option to purchase 500,000 shares of the Company’s Common Stock at the closing price of the Common Stock on the date of the Director Agreement and (2) the Company agreed to pay each of Mssrs. Imbimbo and Baum cash compensation of $5,000 per month, pro-rated for any partial months, payable on the first day of each month beginning on the date of the Director Agreement.

Involvement in Certain Legal Proceedings

Other than as disclosed below, to our knowledge, our directors and executive officers have not been involved in any of the following events during the past ten years:

- Any bankruptcy petition filed by or against such person or any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- Any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting his involvement in any type of business, securities or banking activities or to be associated with any person practicing in banking or securities activities;
- Being found by a court of competent jurisdiction in a civil action, the SEC or the Commodity Futures Trading Commission to have violated a Federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- Being subject of, or a party to, any Federal or state judicial or administrative order, judgment decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of any Federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- Being subject of or party to any sanction or order, not subsequently reversed, suspended, or vacated, of any self-regulatory organization, any registered entity or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Code of Ethics

On November 4, 2015, our board approved and adopted a Code of Ethics (the “Code of Ethics”) that applies to all of our directors, officers, and employees, including our principal executive officer and principal financial officer. The Code of Ethics addresses such individuals’ conduct with respect to, among other things, conflicts of interests; compliance with applicable laws, rules, and regulations; full, fair, accurate, timely, and understandable disclosure by us; competition and fair dealing; corporate opportunities; confidentiality; insider trading; protection and proper use of our assets; fair treatment; and reporting suspected illegal or unethical behavior. The Code of Ethics is available on our website at https://ir.unrivaledbrands.com/corporate-governance/governance-documents. We intend to satisfy the requirements under Item 5.05 of Form 8-K regarding disclosure of amendments to, or waivers from, provisions of the Code of Ethics by posting such information on our website. Information contained on our website is not part of this report.

Term of Office

Our directors are appointed to hold office until the next annual general meeting of our stockholders or until removed from office in accordance with our Bylaws. Our officers are appointed by our board of directors and hold office until removed by the board, absent an employment agreement.

Section 16(A) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that our directors and executive officers and persons who beneficially own more than 10% of our Common Stock (referred to herein as the “Reporting Persons”) file with the SEC various reports as to their ownership of and activities relating to our Common Stock. To the best of our knowledge, all Reporting Persons complied on a timely basis with all filing requirements applicable to them with respect to transactions during the period covered by this report. In making these statements, we have relied solely on our review of copies of the reports furnished to us, representations that no other reports were required and other knowledge relating to transactions involving Reporting Persons.

Audit Committee and Audit Committee Financial Expert

On November 4, 2015, our board of directors established the Audit Committee, which is governed by the Audit Committee Charter. Our Audit Committee currently consists of Nicholas Kovacevich and Eric Baum, with Mr. Kovacevich serving as chair since March of 2022. All members of our Audit Committee meet the requirements for financial literacy under the applicable Nasdaq rules and regulations. Our board has affirmatively determined that each member of our Audit Committee meets the independence requirements of The Nasdaq Stock Market, LLC and Rule 10A-3 of the Exchange Act. In addition, our board has determined that Mr. Baum qualifies as an "audit committee financial expert," as such term is defined in Item 407(d)(5) of Regulation S-K. A copy of the Audit Committee Charter can be found online at http://ir.unrivaledbrands.com/goverance-docs.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus (4)	Stock Awards (5)	Option Awards (6)	All Other Compensation (7)	Total
Francis Knuettel II [(1)]	2021	$ 298,654	$ 40,000	$ 67,500	$ 194,000	$ —	$ 600,154
Chief Executive Officer and Director	2020	$ —	$ —	$ 62,150	$ —	$ —	$ 62,150
Jeffrey Batliner [(2)]	2021	$ 250,000	$ 100,000	$ —	$ 137,873	$ 6,000	$ 493,873
Chief Financial Officer	2020	$ 194,073	$ 20,000	$ 50,956	$ 7,440	$ 1,500	$ 273,969
Uri Kenig [(3)]	2021	$ 236,235	$ 20,000	$ —	$ 170,333	$ —	$ 426,568
Chief Operating Officer	2020	$ 180,000		$ 25,350	$ —	$ —	$ 205,350

(1) Appointed Director on December 11, 2020. Appointed Interim Chief Executive Officer and President on December 15, 2020. Note: designated as Chief Executive Officer and President on March 2, 2021.

(2) Appointed Chief Financial Officer effective October 5, 2020.

(3) Appointed Interim Chief Operating Officer effective December 18, 2020. Appointed Chief Operating Officer effective June 7, 2021.

(4) For Messrs. Knuettel and Kenig, this column reflects the cash bonus payable upon the closing of the UMBRLA transaction, per the terms of their employment agreements. For Mr. Batliner this column reflects the cash bonus paid for 2020 bonus achievement.

(5) The dollar amounts in this column reflect the aggregate grant date fair value, as determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation ("FASB ASC Topic 718"). The fair value is calculated based on the closing price of the Common Stock on the grant dates.

(6) The dollar amounts shown in this column reflect the aggregate grant date fair value, as determined in accordance with FASB ASC Topic 718, of stock options granted in the applicable year. For a discussion of the assumptions that we used to value the stock options, for financial accounting purposes, please refer to "Note 14 – Stock-Based Compensation" in the notes to our consolidated financial statements contained in this Annual Report on Form 10-K.

(7) All other compensation for Mr. Batliner reflects a $500 per month car allowance.

Employment Contracts, Termination of Employment, Change-in-Control Arrangements

Employment Contracts

Francis Knuettel II

On December 18, 2020, Terra Tech Corp. entered into an Executive Employment Agreement (the "Knuettel Employment Agreement") with Francis Knuettel II, appointing Mr. Knuettel as the Company's Interim Chief Executive Officer and

President. The Knuettel Employment Agreement, is for a term of six months. Mr. Knuettel's compensation pursuant to the Knuettel Employment Agreement is One Hundred and Fifty Thousand Dollars ($150,000) and he is eligible to receive a cash performance bonus at the discretion of the board of directors. Mr. Knuettel was granted 200,000 fully-vested shares of the Company's Common Stock and is entitled to an additional 200,000 fully-vested shares of Common Stock on the six-month anniversary of the Knuettel Employment Agreement; provided it has not been terminated prior to that date. Mr. Knuettel was also granted an option to purchase 600,000 shares of Common Stock with an exercise price equal to the closing price of the Common Stock on the trading day prior to the date of the Knuettel Employment Agreement pursuant to the terms of the Company's 2018 Equity Incentive Plan, which will vest 50% on the three-month anniversary of the Knuettel Employment Agreement and 50% on the six-month anniversary of the Knuettel Employment Agreement; provided it has not been terminated prior to either such date. In addition, Mr. Knuettel is eligible to receive a bonus of 400,000 fully-vested shares of Common Stock and $40,000 upon closing of (A) a merger or consolidation of the Company or a subsidiary of the Company with another entity, or (B) the disposition by the Company of all or substantially all of the Company's assets or the acquisition by the Company of all or substantially all of the assets of another entity entered into during the term of the Knuettel Employment Agreement, in each case with a transaction value of over $20,000,000 and approved by the Board of Directors, whether or not he is then an employee of the Company.

On June 7, 2021, the Company entered into an Amended and Restated Executive Employment Agreement (the "A&R Knuettel Employment Agreement") with Mr. Knuettel, appointing Mr. Knuettel as the Company's Chief Executive Officer and President. The term of the A&R Knuettel Employment Agreement began on June 7, 2021 and continues until terminated by the Company or Mr. Knuettel pursuant to the terms thereof. Mr. Knuettel's annual base compensation pursuant to the A&R Knuettel Employment Agreement is Three Hundred Thousand Dollars ($300,000) and he is eligible to receive an annual cash bonus, with the target amount of such annual bonus equal to 50% of his base compensation in the year to which the annual bonus relates; provided that the actual amount of the annual bonus may be greater or less than the target bonus. The annual bonus will be based on performance and achievement by the Company and individual goals and objectives agreed to by the Board or Compensation Committee and Mr. Knuettel.

In connection with the A&R Knuettel Employment Agreement, Mr. Knuettel was issued 1,500,000 shares (the "Knuettel Grant Shares") of Common Stock, which will vest in six equal installments, with the first installment vesting on June 7, 2021, and the remaining installments vesting on every three-month anniversary thereafter; provided he is an employee of the Company on the applicable vesting date. The vesting of the Knuettel Grant Shares is subject to acceleration under certain circumstances as set forth in the A&R Knuettel Employment Agreement.

Mr. Knuettel was also issued an option to purchase 1,500,000 shares (the "Knuettel Grant Options") of Common Stock with an exercise price equal to the closing price of the Common Stock on the trading day prior to June 7, 2021 pursuant to the terms of the Company's Equity Incentive Plan, which will vest in six equal installments, with the first installment vesting on June 7, 2021, and the remaining installments vesting on every three month anniversary thereafter; provided he is an employee of the Company on the applicable vesting date. The vesting of the Knuettel Grant Options is subject to acceleration under certain circumstances as set forth in the A&R Knuettel Employment Agreement.

In addition, under the A&R Knuettel Employment Agreement, Mr. Knuettel is eligible to receive a bonus of 200,000 fully-vested shares of Common Stock and $40,000 in cash upon closing of (A) a merger or consolidation of the Company or a subsidiary of the Company with another entity, or (B) the disposition by the Company of all or substantially all of the Company's assets or the acquisition by the Company of all or substantially all of the assets of another entity entered into during the term of Mr. Knuettel's original employment agreement with the Company, in each case with a transaction value of over $20,000,000 and approved by the Company's Board of Directors. The Board of Directors approved the payment of this cash and equity bonus to Mr. Knuettel in connection with the closing of the UMBRLA merger on July 1, 2021.

Under the A&R Knuettel Employment Agreement, Mr. Knuettel is also eligible to receive a performance stock grant (the "Knuettel Performance Grant"), with the target amount of the Knuettel Performance Grant equal to seven hundred and fifty thousand (750,000) shares of Common Stock (the "Knuettel Target Grant"); provided that the actual amount of the Knuettel Performance Grant may be greater or less than the Knuettel Target Grant based on performance and achievement of Company and individual goals and objectives as set forth in the Knuettel Employment Agreement.
Under the A&R Knuettel Employment Agreement, if (i) Mr. Knuettel's employment with the Company is terminated by the Company other than for cause (as defined in the A&R Knuettel Employment Agreement), death or "permanent and total disability" or (ii) Mr. Knuettel resigns for good reason (as defined in the A&R Knuettel Employment Agreement), then he shall be entitled to severance benefits in an amount equal to 50% of his then current base compensation, less any taxes and withholding as may be necessary pursuant to law, to be paid in accordance with the Company's normal payroll practices, but in no event less frequently than monthly, paid in equal installments over a 6-month period.

Uri Kenig

On December 21, 2020, the Company entered into an Executive Employment Agreement (the "Kenig Employment Agreement") with Uri Kenig, appointing Mr. Kenig as the Company's Interim Chief Operating Officer. The Kenig Employment Agreement, is for a term of six months. Mr. Kenig's compensation pursuant to the Kenig Employment Agreement is Ninety Thousand Dollars ($90,000) and he is eligible to receive a cash performance bonus at the discretion of the board of directors. Mr. Kenig was granted 150,000 fully-vested shares of the Company's Common Stock and is entitled to an additional 150,000 fully-vested shares of Common Stock on the six-month anniversary of the Kenig Employment Agreement; provided it has not been terminated prior to that date. Mr. Kenig was also granted an option to purchase 300,000 shares of Common Stock with an exercise price equal to the closing price of the Common Stock on the trading day prior to the date of the Kenig Employment Agreement pursuant to the terms of the Company's 2018 Equity Incentive Plan, which will vest 50% on the three-month anniversary of the Kenig Employment Agreement and 50% on the six-month anniversary of the Kenig Employment Agreement; provided it has not been terminated prior to either such date. In addition, Mr. Kenig is eligible to receive a bonus of 200,000 fully-vested shares of Common Stock and $20,000 upon closing of (A) a merger or consolidation of the Company or a subsidiary of the Company with another entity, or (B) the disposition by the Company of all or substantially all of the Company's assets or the acquisition by the Company of all or substantially all of the assets of another entity entered into during the term of the Kenig Employment Agreement, in each case with a transaction value of over $20,000,000 and approved by the Board of Directors, whether or not he is then an employee of the Company. The Board of Directors approved the payment of this cash and equity bonus to Mr. Kenig in connection with the closing of the UMBRLA merger on July 1, 2021.

On June 7, 2021, the Company entered into an Amended and Restated Executive Employment Agreement (the "A&R Kenig Employment Agreement") with Mr. Kenig, appointing Mr. Kenig as the Company's Chief Operating Officer. The term of the A&R Kenig Employment Agreement began on June 7, 2021 and continues until terminated by the Company or Mr. Kenig pursuant to the terms thereof. Mr. Kenig's annual base compensation pursuant to the A&R Kenig Employment Agreement is Two Hundred and Fifty Thousand Dollars ($250,000) and he is eligible to receive an annual cash bonus, with the target amount of such annual bonus equal to 50% of his base compensation in the year to which the annual bonus relates; provided that the actual amount of the annual bonus may be greater or less than the target bonus. The annual bonus will be based on performance and achievement of Company and individual goals and objectives agreed to by the Board of Directors or Compensation Committee and Mr. Kenig.

Mr. Kenig was also issued an option to purchase 1,750,000 shares (the "Kenig Grant Options") of Common Stock with an exercise price equal to the closing price of the Common Stock on the trading day prior to June 7, 2021 pursuant to the terms of the Company's Equity Incentive Plan, which will vest in six equal installments, with the first installment vesting on June 7, 2021, and the remaining installments vesting on every three month anniversary thereafter; provided he is an employee of the Company on the applicable vesting date. The vesting of the Kenig Grant Options is subject to acceleration under certain circumstances as set forth in the A&R Kenig Employment Agreement.

Mr. Kenig is also eligible to receive a performance stock grant (the "Kenig Performance Grant"), with the target amount of the Kenig Performance Grant equal to five hundred thousand (500,000) shares of Common Stock (the "Kenig Target Grant"); provided that the actual amount of the Kenig Performance Grant may be greater or less than the Kenig Target Grant based on performance and achievement of Company and individual goals and objectives as set forth in the A&R Kenig Employment Agreement.

If (i) Mr. Kenig's employment with the Company is terminated by the Company other than for cause (as defined in the A&R Kenig Employment Agreement), death or "permanent and total disability" or (ii) Mr. Kenig resigns for good reason (as defined in the A&R Kenig Employment Agreement), then he shall be entitled to severance benefits in an amount equal to 50% of his then current base compensation, less any taxes and withholding as may be necessary pursuant to law, to be paid in accordance with the Company's normal payroll practices, but in no event less frequently than monthly, paid in equal installments over a 6-month period.Mr. Kenig is eligible to participate in the Company's 2018 Equity Incentive Plan, pursuant to which the Company may grant equity awards to its officers, directors and employees.

Jeffrey Batliner

On September 28, 2020, Terra Tech Corp. entered into an Executive Employment Agreement (the "Employment Agreement") with Jeffrey Batliner, formerly the Company's Director of Reporting & Analysis, appointing Mr. Batliner as the Company's Chief Financial Officer, effective October 5, 2020. The Employment Agreement, is for a term of one year. Mr. Batliner's base salary shall be Two Hundred Thousand Dollars ($200,000) and he shall also be eligible for a performance bonus of up to 100% of his base salary ("Target Performance Bonus"). The Target Performance Bonus shall

be based on performance and achievement of Company goals and objectives as defined by the Board of Directors or Compensation Committee and may be greater or less than the Target Performance Bonus. Mr. Batliner may be eligible for severance benefits under certain circumstances as set forth in the Employment Agreement.

On June 7, 2021, the Company entered into an Amended and Restated Executive Employment Agreement (the “A&R Batliner Employment Agreement”) with Mr. Batliner, appointing Mr. Batliner as the Company’s Chief Financial Officer. The term of the A&R Batliner Employment Agreement began on June 7, 2021 and continues until terminated by the Company or Mr. Batliner pursuant to the terms thereof. Mr. Batliner’s annual base compensation pursuant to the A&R Batliner Employment Agreement is Two Hundred and Fifty Thousand Dollars ($250,000) and he is eligible to receive an annual cash bonus, with the target amount of such annual bonus equal to 50% of his base compensation in the year to which the annual bonus relates; provided that the actual amount of the annual bonus may be greater or less than the target bonus. The annual bonus will be based on performance and achievement of Company and individual goals and objectives agreed to by the Company’s Board of Directors or Compensation Committee and Mr. Batliner.

Mr. Batliner was also issued an option to purchase 1,750,000 shares (the “Batliner Grant Options”) of Common Stock with an exercise price equal to the closing price of the Common Stock on the trading day prior to June 7, 2021 pursuant to the terms of the Company’s Equity Incentive Plan, which will vest in six equal installments, with the first installment vesting on June 7, 2021, and the remaining installments vesting on every three month anniversary thereafter; provided he is an employee of the Company on the applicable vesting date. The vesting of the Batliner Grant Options is subject to acceleration under certain circumstances as set forth in the A&R Batliner Employment Agreement.

Mr. Batliner is also eligible to receive a performance stock grant (the “Batliner Performance Grant”), with the target amount of the Batliner Performance Grant equal to five hundred thousand (500,000) shares of Common Stock (the “Batliner Target Grant”); provided that the actual amount of the Batliner Performance Grant may be greater or less than the Batliner Target Grant based on performance and achievement of Company and individual goals and objectives as set forth in the A&R Batliner Employment Agreement.

If (i) Mr. Batliner’s employment with the Company is terminated by the Company other than for cause (as defined in the A&R Batliner Employment Agreement), death or “permanent and total disability” or (ii) Mr. Batliner resigns for good reason (as defined in the A&R Batliner Employment Agreement), then he shall be entitled to severance benefits in an amount equal to 50% of his then current base compensation, less any taxes and withholding as may be necessary pursuant to law, to be paid in accordance with the Company’s normal payroll practices, but in no event less frequently than monthly, paid in equal installments over a 6-month period.

Outstanding Equity Awards at Fiscal Year-End

		Option awards				Stock awards	
Name	Grant Date[1]	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option Exercise Price ($)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares of units of stock that have not vested ($)
Francis Knuettel II	12/18/2020 [2]	600,000	—	$ 0.1770	12/17/2030		
	6/07/2021[3]	500,000	1,000,000	$ 0.2337	6/06/2031	1,000,000	266,400
Jeffrey Batliner	4/02/2020 [4]	116,667	83,333	$ 0.0721	4/2/2030		
	9/25/2020 [5]	416,667	583,333	$ 0.0750	9/25/2030		
	6/07/2021[3]	583,333	1,166,667	$ 0.2337	6/06/2031		
Uri Kenig	12/21/2020 [2]	300,000	—	$ 0.1720	12/20/2030		
	6/07/2021[3]	583,333	1,166,667	$ 0.2337	6/06/2031		

(1) *All grants are part of the 2018 Equity Incentive Plan.*
(2) *Grant vested in two installments. The first installment vested three months after grant date. The second installment vested six months after the grant date.*
(3) *Grant vests in six quarterly installments, with the first vesting on 6/7/21 and subsequently every three month anniversary of the grant date for the next five quarters*
(4) *Grant vests in twelve quarterly installments, with the first vesting on 4/2/20 and subsequently the first day of the quarter the next eleven quarters.*
(5) *Grant vests in twelve quarterly installments, with the first vesting on 10/1/20 and subsequently the first day of the quarter the next eleven quarters.*

Director Compensation

The following table sets forth director compensation for the year ended December 31, 2021:

Name [1]	**Fees Earned Paid in Cash ($)**	**Stock Awards ($) [9]**	**Option Awards ($)**	**All Other Compensation ($)**	**Total ($)**
Nicholas Kovacevich [2]	$ 50,000	$ 203,332	$ —	$ —	$ 253,332
Ira Ritter [3]	$ 50,000	$ —	$ 85,792	$ —	$ 135,792
Tiffany Davis [4]	$ 45,000	$ —	$ 84,375	$ —	$ 129,375
Eric Baum [5]	$ 25,000	$ —	$ 45,646	$ —	$ 70,646
Dallas Imbimbo [6]	$ 25,000	$ 80,940	$ 45,646	$ —	$ 151,586
Steven Ross [7]	$ 48,507	$ 150,000	$ —	$ 237,500	$ 436,007
Alan Gladstone [8]	$ 12,500	$ 105,000	$ —	$ —	$ 117,500

(1) *Francis Knuettel, Michael Nahass, and Derek Peterson are not included in this table as they were executive officers during fiscal 2021, and thus received no compensation for their service as directors. The compensation of Mr. Knuettel as our employee is shown in "Item 11 Executive Compensation – Summary Compensation Table."*
(2) *Appointed as a director on December 10, 2020.*
(3) *Appointed as a director on December 10, 2020. Resigned as a director on July 1, 2021.*
(4) *Appointed as a director on April 6, 2021.*
(5) *Appointed as a director on July 1, 2021.*
(6) *Appointed as a director on July 1, 2021. Resigned as a director on April 14, 2021.*
(7) *Appointed as a director on July 23, 2012. Resigned as a director on April 13, 2021. All other Compensation for Mr. Ross includes $237,500 in cash payments and $150,000 of stock per his separation agreement.*
(8) *Appointed as a director on November 15, 2017. Resigned as a director on January 11, 2021.*

(9) *For valuation purposes, the dollar amount shown represents the aggregate award date fair value of awards made in fiscal 2021 computed in accordance with FASB ASC Topic 718, "Stock Compensation". The fair value is calculated based on the closing price of the Common Stock on the grant dates.*

Narrative to Director Compensation Table

The following is a narrative discussion of the material information that we believe is necessary to understand the information disclosed in the previous table.

Nicholas Kovacevich

On February 1, 2021, the Company and Mr. Kovacevich amended the Independent Director Agreement. Pursuant to the amended agreement, (1) the Company issued to Mr. Kovacevich 500,000 restricted shares of Common Stock, which vest in twelve equal installments on the first day of each month beginning on March 1, 2021 (provided Mr. Kovacevich is a director of the Company on the applicable vesting date) and (2) the Company agreed to pay Mr. Kovacevich cash compensation of $5,000 per month, payable on the first day of each month beginning March 1, 2021 for the term of the agreement.

Ira Ritter

On February 1, 2021, the Company and Mr. Ritter amended the Independent Director Agreement. Pursuant to the amended agreement, (1) the Company issued to Mr. Ritter an option to purchase 500,000 shares of Common Stock at the closing price of the Common Stock on the date of the agreement, which vest in twelve equal installments on the first day of each month beginning on March 1, 2021 (provided Mr. Ritter is a director of the Company on the applicable vesting date) and (2) the Company agreed to pay Mr. Ritter cash compensation of $5,000 per month, payable on the first day of each month beginning March 1, 2021 for the term of the agreement. On July 1, 2021, Mr. Ritter's Independent Director Agreement was terminated in connection with his resignation from the Board.

Tiffany Davis

Pursuant to an Independent Director Agreement dated April 6, 2021 by and between us and Ms. Davis, (1) the Company issued to Ms. Davis an option to purchase 409,716 shares of Common Stock at the closing price of the Common Stock on the date of the agreement, which vest in ten installments, with the first installment of 34,722 shares vesting on date of the agreement, and the remaining installments vesting equally on the first day of each month thereafter (provided Ms. Davis is a director of the Company on the applicable vesting date) and (2) the Company agreed to pay Ms. Davis cash compensation of $5,000 per month, payable on the first day of each month, pro rated for any partial month, beginning April 6, 2021 for the term of the agreement.

Eric Baum

On July 1, 2021, we entered into an Independent Director Agreement and a Director Indemnification Agreement with Eric Baum in connection with his appointment to the Board of Directors of the Company. Pursuant to the Director Agreements, among other things, (1) we agreed to enter into a Stock Option Agreement to issue to Mr. Baum an option to purchase 500,000 shares of Common Stock at the closing price of the Common Stock on the date of the Director Agreement and (2) we agreed to pay Mr. Baum cash compensation of $5,000 per month, pro-rated for any partial months, payable on the first day of each month beginning on the date of the Baum Director Agreement.

Dallas Imbimbo

On July 1, 2021, we entered into an Independent Director Agreement and a Director Indemnification Agreement with Dallas Imbimbo in connection with his appointment to the Board of Directors of the Company. Pursuant to the Director Agreements, among other things, (1) we agreed to enter into a Stock Option Agreement to issue to Mr. Imbimbo an option to purchase 500,000 shares of Common Stock at the closing price of the Common Stock on the date of the Director Agreement and (2) we agreed to pay Mr. Imbimbo a cash compensation of $5,000 per month, pro-rated for any partial months, payable on the first day of each month beginning on the date of the Imbimbo Director Agreement.

Steven J. Ross

Mr. Ross resigned as a director of the Company. On that same date, in connection with Mr. Ross' resignation as a director of the Company, the Company and Mr. Ross agreed to terminate the Independent Director Agreement entered into by Mr. Ross and the Company on July 1, 2019 and enter into a Separation Agreement (the "Ross Separation Agreement").

Pursuant to the Ross Separation Agreement, among other things, the Company agreed to 1) make cash payments to Mr. Ross of $87,500 on April 30, 2021, $75,000 on August 16, 2021, and $75,000 on December 31, 2021, and 2) issue to Mr. Ross $50,000 of freely-trading shares of Common Stock on each of April 30, 2021, August 16, 2021, and December 31, 2021. The number of shares of Common Stock issued on each issuance date will be calculated based on the closing price of the Common Stock on the trading day immediately prior to such issuance date. In addition, all vested options to acquire Common Stock held by Mr. Ross remain exercisable pursuant to their terms and all unvested options to acquire Common Stock held by Mr. Ross' will accelerate and become vested. The Ross Separation Agreement contains mutual releases and other customary terms and conditions as more fully set forth therein.

Alan Gladstone

On January 11, 2021, Mr. Gladstone resigned as a director of the Company. On that same date, the Company entered into a Separation Agreement (the "Gladstone Separation Agreement") with Mr. Gladstone. Pursuant to the Gladstone Separation Agreement, among other things, the Company issued to Mr. Gladstone 500,000 freely-trading shares of Common Stock, and all vested options to acquire Common Stock held by Mr. Gladstone remain exercisable pursuant to their terms. Mr. Gladstone also agreed not to sell, dispose of or transfer more than 500,000 shares of Common Stock in any calendar month. In addition, the Independent Director Agreement between the Company and Mr. Gladstone, dated as of July 1, 2019, was terminated. The Gladstone Separation Agreement also contains mutual releases and other customary terms and conditions as more fully set forth therein.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information

On December 11, 2018, the board of directors approved the 2018 Equity Incentive Plan (the "Plan") as amended and restated as of June 20, 2019, and approved by our stockholders on September 23, 2019 (the "2018 Plan"), with 13,000,000 shares available for issuance. During the years ended December 31, 2021 and 2020, the Company granted ten-year options to directors, officers, and employees, pursuant to which such individuals are entitled to exercise options to purchase an aggregate of up to 6,909,716 and 3,644,828 shares of Common Stock, respectively. The options have exercise prices ranging from $0.07 to $0.26 per share, and generally vest quarterly over a three-year period. On February 14, 2020, the board approved an amendment to the 2018 Plan, increasing the number of shares available for issuance thereunder by 28,976,425 shares of Common Stock for a total of 43,976,425 shares of Common Stock, plus the number of shares that may become available under the Company's 2016 Equity Incentive Plan after termination of awards thereunder, not to exceed 2,000,000 million shares subject to adjustment in accordance with the terms of the 2018 Plan.

Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information as of March 21, 2022 with respect to the holdings of: (1) each person known to us to be the beneficial owner of more than 5.0% of our Common Stock; (2) each of our directors, nominees for director and executive officers; and (3) all directors and executive officers as a group. To the best of our knowledge, each of the persons named in the table below as beneficially owning the shares set forth therein has sole voting power and sole investment power with respect to such shares, unless otherwise indicated. Shares of common stock that are currently exercisale or convertible within 60 of March 21, 2022 are deemed to be beneficially owned by the person holding such securities for the purpose of computing the percentage beneficial ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise specified, the address of each of the persons set forth below is in care of the Company, at the address of 2040 Main Street, Suite 225, Irvine, California 92614.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership		Percent of Common Stock(1)
Greater than 5% Beneficial Owners:				
Dallas Imbimbo	Common Stock	87,425,209	(2)	17.31 %
Joseph Gerlach	Common Stock	41,662,529	(3)	8.30 %
Nicholas Kovacevich	Common Stock	29,156,060	(4)	5.72 %
Executive Officers and Directors:				
Francis Knuettel II *Director*	Common Stock	5,627,390	(5)	1.02 %
Jeffrey Batliner *Chief Financial Officer and Named Executive Officer*	Common Stock	2,184,219	(6)	*
Uri Kenig *Chief Operating Officer*	Common Stock	1,616,667	(7)	*
Eric Baum *Chairman of the Board*	Common Stock	2,931,791	(8)	*
Nicholas Kovacevich *Director*	Common Stock	29,156,060	(4)	5.72 %
Tiffany Davis *Interim Chief Executive Officer and Director*	Common Stock	307,287	(9)	*
Dallas Imbimbo *Director*	Common Stock	87,425,209	(2)	*
All Directors and Executive Officers as a Group (6 persons)		129,248,623		25.18 %

* *Represents beneficial ownership of less than one percent of the outstanding shares of our Common Stock.*

(1) As of March 18, 2022, we had a total of 504,438,329 shares of Common Stock issued and 502,129,921 shares outstanding.

(2) Includes (i) 13,127,700 shares held by Mr. Imbimbo, (ii) 816,678 shares underlying exercisable warrants, (iii) 7,174,980 shares underlying exercisable options, (iii) 6,454,752 shares held by Mr. Imbimbo's spouse, (iv) 816,678 shares underlying exercisable warrants held by Mr.Imbimbo's spouse, (v) 1,179,578 shares underlying exercisable options held by Mr. Imbimbo's spouse, (vi) 19,260,742 shares held by Alpha West Holdings Inc. ("Alpha West"), of which Mr. Imbimbo is a stockholder, (vii) 2,769,217 shares underlying exercisable warrants held by Alpha West, (viii) 8,259,085 shares held by Rove Group LLC, of which Mr. Imbimbo is the sole member ("Rove Group"), (ix) 12,037,719 shares underlying exercisable warrants held by Rove Group, (x) 83,333 shares underlying exercisable options within 60 days of the Record Date, and (xi) 15,444,746 shares held by Bonaparte Group LLC, of which Mr. Imbimbo's spouse is the managing member. Mr. Imbimbo disclaims beneficial ownership with respect to the shares held by Alpha West and Bonaparte Group LLC except to the extent of his pecuniary interest therein.

(3) The shares listed are based on the Company's internal records and represent shares held by Joseph Gerlach as of July 1, 2021. Mr. Gerlach holds sole voting power and dispositive power over such shares. The principal address of Mr. Gerlach is 2811 Pepper Rd., Petaluma, CA 94952.

(4) Includes (i) 1,500,000 shares held by Mr. Kovacevich, (ii) 955,459 shares held by the Rutherford NC Revocable Trust (the "Rutherford Trust"), of which Mr. Kovacevich is the trustee, (iii) 4,670,642 shares underlying exercisable warrants held by the Rutherford Trust, (iv) 19,260,742 shares held by Alpha West, of which Mr. Kovacevich is a stockholder, (v) and 2,769,217 shares underlying exercisable warrants held by Alpha West. Mr. Kovacevich may be deemed to beneficially hold, and have the sole power to direct the voting and disposition of, the shares is closed as directly held by the Rutherford Trust, and to beneficially hold, and have the shared power to direct the voting and disposition of, the shares disclosed as directly held by Alpha West. Mr. Kovacevich disclaims beneficial ownership with respect to the shares held by Alpha except to the extent of his pecuniary interest therein

(5) Includes (i) 2,450,000 shares held by Mr. Knuettel, (ii) 1,350,000 shares underlying exercisable options held by Mr. Knuettel, (iii) 423,456 shares held by a family trust of which Mr. Knuettel and his spouse are the co-trustees (the "Knuettel Trust"), (v) 769,290 shares underlying exercisable options held by the Knuettel Trust, (vi) 250,000 shares underlying options held by Mr. Knuettel that are exercisable within 60 days of the Record Date, and (vii) 384,644 shares underlying exercisable warrants held by the Knuettel Trust.

(6) *Includes (i) 284,220 shares held by Mr. Batliner, (ii) 1,508,333 shares underlying exercisable options held by Mr. Batliner, and (iii) 391,666 shares underlying options held by Mr. Batliner that are exercisable within 60 days of the Record Date.*

(7) *Includes (i) 350,000 shares held by Mr. Kenig, (ii) 1,175,000 shares underlying exercisable options held by Mr. Kenig, and (iii) 291,667 shares underlying options held by Mr. Kenig that are exercisable within 60 days of the Record Date.*

(8) *Includes (i) 250,000 shares underlying exercisable options held by Mr. Baum, (ii) 1,058,639 shares held by Mr. Baum's spouse, (iii) 393,059 shares held by Acquis Fund 2018 LLC, of which Mr. Baum is a member ("Acquis Fund"), (iv) 961,612 shares underlying exercisable warrants held by Mr. Baum's spouse, and (v) 268,481 shares underlying exercisable warrants held by Acquis Fund. Mr. Baum disclaims beneficial ownership with respect to the shares held by Acquis Fund except to the extent of his pecuniary interest therein..*

(9) *Includes 307,287 shares underlying exercisable options held by Ms. Davis.*

There are no arrangements known to us that might, at a subsequent date, result in a change-in-control.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related Party Transactions

Except as described below, during the past fiscal year, there have been no transactions, whether directly or indirectly, between us and any of our respective officers, directors, beneficial owners of more than 5.0% of our outstanding Common Stock or their family members, that exceeded the lesser of $0.12 million or 1.0% of the average of our total assets at year-end for the last completed fiscal year.

On December 31, 2019, the Company entered into a secured promissory note agreement with the Matthew Lee Morgan Trust, which is affiliated with Matthew Morgan, formerly the Chief Executive Officer of OneQor. The note matured on January 30, 2021, and bears interest at a rate of 10% per annum. The note was converted into the Company's common stock at maturity.

On March 30, 2020, Edible Garden Corp. ("Edible Garden"), a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into and closed an Asset Purchase Agreement (the "Purchase Agreement") with Edible Garden Incorporated (the "Purchaser"), pursuant to which Edible Garden sold and the Purchaser purchased substantially all of the assets of Edible Garden (the "Business"). The aggregate consideration paid for the Business was a five-year $3,000,000 secured promissory note bearing interest at 3.5% per annum. Michael James, the Company's former Chief Financial Officer, is a principal of the Purchaser. There is no material relationship between the Company or its affiliates and the Purchaser other than as set forth in the previous sentence. The Purchase Agreement contains customary conditions, representations, warranties, indemnities and covenants by, among, and for the benefit of the parties.

During the fiscal year ended December 31, 2020, the Company issued promissory notes totaling $1.80 million to OneQor. Derek Peterson and Mike Nahass, formerly the Chief Executive Officer and Chief Operating Officer, respectively, had minority ownership interests in OneQor. At the end of the fiscal year, management made the decision to fully-reserve for these loans due to their confidence in the completion of the merger with OneQor, which would result in the cancellation of these loans.

On July 1, 2021, the Company entered into a Membership Interest Purchase Agreement with Nicholas Kovacevich and Dallas Imbimbo, pursuant to which the Company acquired 100% of the outstanding membership interests in Halladay Holding, LLC from Mr. Kovacevich and Mr. Imbimbo. Halladay Holding, LLC is the owner of real property located at 3242 S. Halladay Street, Santa Ana, CA 92705, where the Company operates a cannabis dispensary and maintains its principal office space. Pursuant to the Purchase Agreement, as consideration for the Acquisition, the Company paid Mr. Kovacevich and Mr. Imbimbo an aggregate purchase price of $4.60 million in cash. The Company had an independent third-party perform a valuation of the Property prior to entering into the Purchase Agreement. Mr. Kovacevich is a director of the Company and Mr. Imbimbo was a director of the Company. As such, the Acquisition is a related party transaction.

During the fiscal year ended December 31, 2021, the Company contracted for $0.45 million in goods and services of Greenlane Holdings, Inc. Mr. Kovacevich, a director of the Company, is the CEO of Greenlane Holdings, Inc.

Pursuant to an Independent Director Agreement dated December 11, 2020 by and between us and Francis Knuettel II, we agreed to grant Mr. Knuettel 150,000 restricted shares of stock, to be fully vested on the date of appointment. On December 18, 2020, Terra Tech Corp entered into an Executive Employment Agreement with Mr. Knuettel, appointing Mr. Knuettel as the Company's Interim Chief Executive Officer and President. Therefore Mr. Knuettel was no longer considered an independent director.

Pursuant to an Independent Director Agreement dated December 11, 2020 by and between us and Nicholas Kovacevich, we agreed to grant Mr. Kovacevich 150,000 restricted shares of stock, to be fully vested on the date of appointment. On February 1, 2021, the Company and Mr. Kovacevich amended the Independent Director Agreement. Per this amended agreement, (1) the Company issued to Mr. Kovacevich 500,000 restricted shares of the Company's Common Stock (the "Common Stock"), which vest in twelve equal installments on the first day of each month beginning on March 1, 2021 (provided Mr. Kovacevich is a director of the Company on the applicable vesting date) and (2) the Company agreed to pay Mr. Kovacevich cash compensation of $5,000 per month, payable on the first day of each month beginning March 1, 2021 for the term of the Kovacevich Agreement.

Pursuant to an Independent Director Agreement dated December 11, 2020 by and between us and Ira Ritter, we agreed to grant Mr. Ritter 150,000 restricted shares of stock, to be fully vested on the date of appointment. On February 1, 2021, the Company and Mr. Ritter amended the Independent Director Agreement. Pursuant to the Ritter Agreement, (1) the Company issued to Mr. Ritter an option to purchase 500,000 shares of Common Stock at the closing price of the Common Stock on the date of the Ritter Agreement, which vest in twelve equal installments on the first day of each month beginning on March 1, 2021 (provided Mr. Ritter is a director of the Company on the applicable vesting date) and (2) the Company agreed to pay Mr. Ritter cash compensation of $5,000 per month, payable on the first day of each month beginning March 1, 2021 for the term of the Ritter Agreement.

Pursuant to an Independent Director Agreement dated April 6, 2021 by and between us and Tiffany Davis, we agreed to enter into a Stock Option Agreement to issue to Ms. Davis an option to purchase 409,716 shares of the Company's Common Stock at the closing price of the Common Stock on the date of the Director Agreement and (2) the Company agreed to pay Ms. Davis cash compensation of $5,000 per month, pro-rated for any partial months, payable on the first day of each month beginning on the date of the Director Agreement.

Pursuant to an Independent Director Agreement dated July 1, 2021 by and between us and Eric Baum, we agreed to enter into a Stock Option Agreement to issue to Mr. Baum an option to purchase 500,000 shares of the Company's Common Stock at the closing price of the Common Stock on the date of the Director Agreement and (2) the Company agreed to pay Mr. Baum cash compensation of $5,000 per month, pro-rated for any partial months, payable on the first day of each month beginning on the date of the Director Agreement.

Pursuant to an Independent Director Agreement dated July 1, 2021 by and between us and Dallas Imbimbo, we agreed to enter into a Stock Option Agreement to issue to Mr. Imbimbo an option to purchase 500,000 shares of the Company's Common Stock at the closing price of the Common Stock on the date of the Director Agreement and (2) the Company agreed to pay Mr. Imbimbo cash compensation of $5,000 per month, pro-rated for any partial months, payable on the first day of each month beginning on the date of the Director Agreement.

Director Independence

Our Board is currently composed of five members. Our Common Stock is not currently listed for trading on a national securities exchange and, as such, we are not subject to any director independence standards. However, we have determined that two directors, Nicholas Kovacevich and Eric Baum, each qualifies as an independent director. We evaluated independence in accordance with Rule 5605 of the NASDAQ Stock Market.

The Board currently has three separately designated standing committees: (i) the Audit Committee, (ii) the Compensation Committee, and (iii) the Governance and Nominating Committee.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table presents fees paid or to be paid for professional audit services rendered by Marcum LLP for the audit of our annual financial statements and fees billed for other services rendered for the years ended December 31, 2021 and 2020:

	Year Ended December 31,	
	2021	2020
Audit Fees (1)	**$ 215,081**	**$ 270,030**

(1) Audit Fees consisted of fees billed for professional services rendered for the audit of the Company's annual financial statements and internal control over financial reporting, review of the interim financial statements included in quarterly reports, and review of other documents filed with the SEC within those fiscal years.

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is specific to the particular service or category of services and is generally subject to a specific budget. In addition, the Audit Committee has delegated pre-approval authority to its Chairman who, in turn, must report any pre-approval decisions to the Audit Committee at its next scheduled regular meeting. Our independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by our independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis. The Audit Committee, as applicable, pre-approved all fees for audit and non-audit work performed during fiscal 2020 and 2021.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report:

(1) Financial Statements – See Index on page F-1

Report of Independent Registered Public Accounting Firm

Consolidated Financial Statements:

Consolidated Balance Sheets as of December 31, 2021 and 2020

Consolidated Statements of Operations for the Years Ended December 31, 2021 and 2020

Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2021 and 2020

Consolidated Statements of Cash Flows for the Years Ended December 31, 2021 and 2020

Notes to Consolidated Financial Statements

(a) The following exhibits are filed herewith as a part of this report:

		Incorporated by Reference		
Exhibit	**Description**	**Form**	**Date Filed**	**Exhibit**
2.1	Agreement and Plan of Merger, dated March 2, 2021	8-K	3/3/2021	2.1
2.2	Name Change Agreement and Plan of Merger, dated as of June 30, 2021, by and between the Company and Unrivaled Brands, Inc.	8-K	7/8/2021	2.2
2.3	Membership Interest Purchase Agreement, dated as of July 1, 2021, by and among the Company and Nicholas Kovacevich and Dallas Imbimbo.	8-K	7/8/2021	2.1
2.4	Membership Interest Purchase Agreement, dated August 15, 2021.	8-K	8/16/2021	2.1
2.5	Membership Interest Purchase Agreement, dated as of November 17, 2021.	8-K	11/22/2021	2.1
2.6	Membership Interest Purchase Agreement, dated November 22, 2021.	8-K	11/29/2021	2.1
2.7	Certificate of Withdrawal of Certificate of Designation of Series A Preferred Stock	8-K	2/4/2021	3.1
2.8	Certificate of Withdrawal of Certificate of Designation of Series B Preferred Stock	8-K	2/4/2021	3.2
2.9	Articles of Merger, filed with the Nevada Secretary of State on July 1, 2021.	8-K	7/8/2021	3.1
2.10	Name Change Articles of Merger, filed with the Nevada Secretary of State on July 1, 2021.	8-K	7/8/2021	3.2
2.11	Articles of Incorporation.	S-1	12/23/2008	3.1
2.12	Certificate of Amendment	S-1	10/28/2013	3.1.2
2.13	Certificate of Change	S-1	10/28/2013	3.1.3
2.14	Certificate of Amendment	8-K	2/10/2012	3.1
2.12	Second Amended and Restated Bylaws.	8-K	8/2/2021	3.3
3.1	Form of Amendment No. 1 to 7.5% Senior Convertible Promissory Note.	8-K	1/25/2021	4.2
3.2	Form of Amendment No. 2 to 7.5% Senior Convertible Promissory Note, dated January 11, 2021.	8-K	1/13/2021	4.1

3.3	Form of Amendment No. 3 to 7.5% Senior Convertible Promissory Note.	8-K	1/25/2021	4.1
3.4	Form of Common Stock Purchase Warrant	8-K	1/25/2021	4.3
3.5	Form of 3.0% Senior Convertible Promissory Note.	8-K	1/25/2021	4.4
3.6	Form of Common Stock Purchase Warrant (“A Warrant”).	8-K	1/25/2021	4.5
3.7	Form of Common Stock Purchase Warrant (“B Warrant”).	8-K	1/25/2021	4.6
3.8	Form of Straight Promissory Note (“6-Month Note”).	8-K	1/25/2021	4.7
3.9	Form of Straight Promissory Note (“12-Month Note”).	8-K	1/25/2021	4.8
3.10	Common Stock Purchase Warrant	10-K	3/30/2021	4.12
3.11	Form of Senior Secured Promissory Note.	8-K	11/29/2021	4.1
3.12	Secured Promissory Note, dated November 22, 2021.	8-K	11/29/2021	4.2
3.13	2016 Equity Incentive Plan.†			
3.14	Form of Terra Tech Corp. Amended and Restated 2018 Equity Incentive Plan.†			
3.15	Amendment to Terra Tech Corp. Amended and Restated 2018 Equity Incentive Plan, dated as of February 14, 2020.†			
3.16	2019 Equity Incentive Plan of UMBRLA, Inc.†	10-Q	8/16/2021	10.22
3.17	Amendment to 2019 Equity Incentive Plan of UMBRLA, Inc., dated March 1, 2020.†	10-Q	8/16/2021	10.23
3.18	Amendment to 2019 Equity Inventive Plan of UMBRLA, Inc., dated October 22, 2020.†	10-Q	8/16/2021	10.24
4.1	Sublease, dated March 29, 2016, by and between Black Oak Gallery and CCIG Properties, LLC .	8-K/A	4/5/2016	10.27
4.2	Employment Agreement between Terra Tech Corp. and Jeffrey Batliner, dated June 7, 2021.	8-K	6/10/2021	10.6
4.3	Loan Agreement Amendment, dated January 7, 2021.	8-K	1/13/2021	10.1
4.4	Indemnification Agreement (Jeffrey Batliner), dated January 7, 2021.†	8-K	1/13/2021	10.2
4.5	Indemnification Agreement (Steven J. Ross), dated January 7, 2021.†	8-K	1/13/2021	10.3
4.6	Form of Registration Rights Agreement.	8-K	1/25/2021	10.2
4.7	Independent Director Agreement between Terra Tech Corp. and Nicholas Kovacevich, dated February 1, 2021.†	8-K	2/4/2021	10.1
4.8	Independent Director Agreement between Terra Tech Corp. and Ira Ritter, dated February 1, 2021.†	8-K	2/4/2021	10.2
4.9	Registration Rights Agreement.	10-K	3/30/2021	10.42
4.10	Independent Director Agreement between Terra Tech Corp. and Tiffany Davis, dated April 6, 2021.†	8-K	4/9/2021	10.1
4.11	Director Indemnification Agreement between Terra Tech Corp. and Tiffany Davis, dated April 6, 2021.†	8-K	4/9/2021	10.2
4.12	Stock Option Agreement between Terra Tech Corp. and Tiffany Davis, dated April 6, 2021.	8-K	4/9/2021	10.3
10.1	Form of Six-Month Note .	8-K	6/10/2021	10.2
10.2	Form of Twelve-Month Note.	8-K	6/10/2021	10.3
10.3	Independent Director Agreement, dated as of July 1, 2021, by and between the Company and Dallas Imbimbo.†	8-K	7/8/2021	10.1
10.4	Independent Director Agreement, dated as of July 1, 2021, by and between the Company and Eric Baum.†	8-K	7/8/2021	10.2
10.5	Director Indemnification Agreement, dated as of July 1, 2021, by and between the Company and Dallas Imbimbo (5)♦	8-K	7/8/2021	10.3
10.6	Director Indemnification Agreement, dated as of July 1, 2021, by and between the Company and Eric Baum (5)♦	8-K	7/8/2021	10.4
10.7	Promissory Note issued by Unrivaled Brands, Inc. in favor of Arthur Chan, dated July 27, 2021.	8-K	8/2/2021	10.2
10.8	Indemnification Agreement between the Company and Oren Schauble, dated July 27, 2021 (7)♦	8-K	8/2/2021	10.5
10.9	Six-Month Note (Sterling Harlan)	8-K	10/5/2021	10.1

10.10	Six-Month Note (Matthew Guild)	8-K	10/5/2021	10.2
10.11	Twelve-Month Note (Sterling Harlan)	8-K	10/5/2021	10.3
10.12	Twelve-Month Note (Matthew Guild)	8-K	10/5/2021	10.4
10.13	Consulting Agreement between the Company and Dallas Imbimbo, dated September 15, 2021.†	10-Q	11/15/2021	10.12
10.14	Form of Securities Purchase Agreement (11)	8-K	11/29/2021	10.1
10.15	Form of Security Agreement	8-K	11/29/2021	10.2
10.16	Form of Guaranty	8-K	11/29/2021	10.3
10.17	People's Security Agreement, dated November 22, 2021.	8-K	11/29/2021	10.4
10.18	People's Guaranty, dated November 22, 2021.	8-K	11/29/2021	10.5
10.19	Separation Agreement between the Company and Francis Knuettel II, dated April 12, 2022			
10.20	Separation Agreement between the Company and Oren Schauble, dated April 5, 2022			
10.21	Consulting Agreement between the Company and Oren Schauble, dated March 17, 2022			
10.22	Separation Agreement between the Company and Dallas Imbimbo, dated April 14, 2022			
10.23	Peoples Agreement Amendment 1			
10.24	Peoples Agreement Amendment 2			
10.25	Sales Agreement - 6220 E. Dyer Santa Ana			
10.26	MIPA - NuLeaf			
14.1	Code of Ethics.	8-K	11/5/2015	14.1
21.1	List of Subsidiaries*			
23.1	Consent of Marcum LLP*			
24.10	Power of Attorney (set forth on the signature page of this Annual Report on Form 10-K)			
31.1	Certification of Tiffany Davis, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *			
31.2	Certification of Jeffrey Batliner, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *			
32.1	Certification of Tiffany Davis, Chief Executive Officer, pursuant to Sections 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350. *			
32.20	Certification of Jeffrey Batliner, Chief Financial Officer, pursuant to Sections 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350. *			

101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Extension Schema Document *
101.CAL	XBRL Taxonomy Extension Calculations Linkbase Document *
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document *
101.LAB	XBRL Taxonomy Extension Label Linkbase Document *
101.PRE	XBRL Taxonomy Presentation Linkbase Document *

* *Filed herewith*

♦ *Indicates a management contract or compensatory plan or arrangement.*

UNRIVALED BRANDS, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Report of Independent Registered Public Accounting Firm – Marcum LLP (PCAOB ID: 688)	F-2
Consolidated Financial Statements:	
Consolidated Balance Sheets as of December 31, 2021 and 2020	F-6
Consolidated Statements of Operations for the Years Ended December 31, 2021 and 2020	F-7
Consolidated Statements of Stockholders’ Equity for the Years Ended December 31, 2021 and 2020	F-8
Consolidated Statements of Cash Flows for the Years Ended December 31, 2021 and 2020	F-9
Notes to Consolidated Financial Statements	F-11

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Unrivaled Brands, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Unrivaled Brands, Inc. (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of operations, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2021 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 the Company as of December 31, 2021 and 2020 and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 23, the Company has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 23. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Explanatory Paragraph – Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Company changed its method of accounting for convertible instruments due to the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, effective January 1, 2021, using the modified retrospective approach.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's 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 audits to obtain reasonable assurance about whether the 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 audit**s,** 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 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.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of the acquisition-date fair values of intangible assets acquired in business combinations

As described in Note 17 to the financial statements, the Company made three significant acquisitions during the year ended December 31, 2021. As a result of the transactions, the Company acquired trade name and license intangible assets. The acquisition-date fair values for the trade name and license assets were $35.6 million and $90.4 million, respectively. The licenses were valued using a multi-period excess earnings method, and the trade names were valued using a relief from royalty method, both of which are different variations of discounted cash flow models.

A principal considerations for our determination that performing procedures relating to evaluating the acquisition-date fair value of the trade name and license assets is a critical audit matter is that there is significant subjectivity involved in evaluating certain inputs in the respective discounted cash flow models used to determine the fair value of such assets. This in turn led to high degree of auditor judgment, and an increased effort in performing audit procedures in evaluating the reasonableness of management’s forecasts of future cash flows as well as the selection of assumptions including the discount rates and attrition rates. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating evidence in connection with forming our overall audit opinion on the financial statements. These procedures included, among others, (i) evaluating the reasonableness of managements’ forecasts of future cash flows; (ii) testing the source information underlying the determination of the growth rates, discount rates, royalty rates, and testing the mathematical accuracy of the calculations; and (iii) developing a range of independent estimates for the assumptions and comparing those to the assumptions used by management. Professionals with specialized skill and knowledge were used to assist in the evaluation of the acquisition-date fair value of customer relationship assets.

Impairment assessment of goodwill for the Black Oak Gallery reporting unit

As described in Note 8 to the financial statements, the Company performed its annual evaluation of goodwill for the Black Oak Gallery reporting unit for impairment by comparing the estimated fair value of the Black Oak Gallery reporting unit to its carrying value. The Company used a discounted cash flow method, an income approach, to determine the estimated fair value of the Black Oak Gallery reporting unit. The Company also disregarded market approaches for valuing the estimated fair value of the Black Oak Gallery reporting unit due to significant operational and jurisdictional differences.

The principal considerations for our determination that performing procedures relating to evaluating the recoverability of the carrying value of goodwill is a critical audit matter, are that there is significant judgment by management in the estimation of forecasted cash flows, the discount rate to apply and the long-term growth rate to use. This in turn led to high degree of auditor judgment, subjectivity and effort in performing audit procedures in evaluating audit evidence related to management's estimates and assumptions used in the forecasted cash flows and the valuation model. In addition, the evaluation of audit evidence related to goodwill impairment required significant auditor judgment as the nature of the evidence is often subjective, and the audit effort involved the use of professionals with specialized skill and knowledge to assist in evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating evidence in connection with forming our overall audit opinion on the consolidated financial statements. These procedures included, among others, (i) evaluating management's estimated cash flow projections; (ii) evaluating management's determination of the discount rate; (iii) evaluating the long-term growth rate used by management; and (iv) testing the mathematical accuracy of the model. Professionals with specialized skill and knowledge were used to assist in the evaluation of the measurement of the Company's estimated fair value of the Black Oak Gallery reporting unit.

Deductibility of expenses under IRC § 280E

As described in Note 12 to the financial statements, the Company's subsidiaries produce and sell cannabis or cannabis pure concentrates and are subject to the limits of Internal Revenue Code Section 280E, which allows the Company to deduct only expenses directly related to sales of product for federal tax purposes. This requires management to make estimates and judgments relating to the bifurcation of expenses between direct costs of sales versus other operating expenses for such subsidiaries. This also requires management to make judgments as to whether the deduction of operating expenses at the parent company that provides corporate oversight and other services to such subsidiaries, which is an uncertain tax position, met the "more-likely-than-not" recognition threshold

The principal considerations for our determination that performing procedures relating to the uncertain tax position was a critical audit matter, are that there is significant judgment by management in estimating the operating expenses at the parent company that are unrelated to the business activity of trafficking cannabis related products, including a high degree of estimation and uncertainty due to the complexity of tax laws, lack of guidance from the Internal Revenue Service ("IRS") and potential for adjustments which could have a material impact on the Company's results of operations for the year as a result of an IRS examination. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate the timely identification and accurate measurement of provisions for tax uncertainties. In addition, the evaluation of audit evidence related to the provisions for tax uncertainties required significant auditor judgment as the nature of the evidence is often subjective, and the audit effort involved the use of professionals with specialized skill and knowledge to assist in evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, (i) testing the information used in the allocation of operating expenses of the parent company for business activities unrelated to trafficking cannabis related products; (ii) evaluating management's assessment of the technical merits of tax positions and estimates of the amount of tax benefit expected to be sustained; (iii) testing the completeness of management's assessment of both the identification of uncertain tax positions and possible outcomes of each uncertain tax position; and (iv) evaluating the status and results of tax examinations with the relevant tax authorities for companies within the industry. Professionals with specialized skill and knowledge were used to assist in the evaluation of the completeness and measurement of the Company's uncertain tax positions, including

evaluating the reasonableness of management's assessment of whether tax positions are more-likely-than-not of being sustained, the application of relevant tax laws, and estimated interest and penalties.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2018.

Costa Mesa, California
April 15, 2022

UNRIVALED BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except shares)

	December 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash	$ 6,891	$ 217
Accounts receivable, net	4,677	352
Short term investments	—	34,045
Inventory, net	7,179	759
Prepaid expenses and other current assets	1,272	214
Notes receivable	750	—
Current assets of discontinued operations	4,495	2,020
Total current assets	25,264	37,607
Property, equipment and leasehold improvements, net	23,728	12,630
Intangible assets, net	129,637	7,714
Goodwill	48,132	6,171
Other assets	26,915	12,644
Investments	163	330
Assets of discontinued operations	17,984	23,198
TOTAL ASSETS	**$ 271,824**	**$ 100,294**
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Current liabilities:		
Accounts payable and other accrued expenses	$ 31,904	$ 8,225
Short-term debt	45,749	8,033
Income taxes payable	7,969	—
Current liabilities of discontinued operations	2,087	10,164
Total current liabilities	87,708	26,422
Long-term liabilities:		
Long-term debt, net of discounts	10,006	6,632
Deferred tax liabilities	6,123	—
Long-term lease liabilities	21,316	7,775
Long-term liabilities of discontinued operations	184	335
Total long-term liabilities	37,629	14,742
Total liabilities	**125,337**	**41,164**
COMMITMENTS AND CONTINGENCIES (Note 18)		
STOCKHOLDERS' EQUITY:		
Common stock, par value $0.001:		
990,000,000 Shares authorized as of December 31, 2021 and 2020; 498,546,295 shares issued and 496,237,883 shares outstanding as of December 31, 2021; 196,512,867 shares issued and 194,204,459 shares outstanding as of December 31, 2020.	521	218
Additional paid-in capital	392,930	275,060
Treasury stock	(808)	(808)
Accumulated deficit	(250,015)	(219,803)
Total Unrivaled Brands, Inc. stockholders' equity	142,628	54,667
Non-controlling interest	3,859	4,463
Total stockholders' equity	**146,487**	**59,130**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 271,824**	**$ 100,294**

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

UNRIVALED BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except shares and per-share info)

	Year Ended December 31,	
	2021	2020
Total revenues	$ 47,673	$ 6,161
Cost of goods sold	35,706	3,518
Gross profit	11,967	2,643
Selling, general and administrative expenses	48,257	19,319
Impairment of assets	6,171	19,910
Gain on sale of assets	(3,133)	—
Loss from operations	(39,328)	(36,586)
Other income / (expense)		
Loss on extinguishment of debt	(5,976)	—
Interest expense, net	(1,776)	(1,394)
Unrealized gain on investments	—	29,045
Gain on investments	5,337	—
Other income / (loss)	(433)	929
Total other income / (expense)	(2,848)	28,580
Loss from continuing operations, before provision for income taxes	(42,176)	(8,006)
Provision for income taxes	(885)	—
Net loss from continuing operations	(43,061)	(8,006)
Income / (loss) from discontinued operations	12,103	(22,865)
Provision for income taxes for discontinued operations	(917)	—
Net loss from discontinued operations	11,186	(22,865)
NET LOSS	(31,875)	(30,871)
Less: Income / (Loss) attributable to non-controlling interest from discontinued operations	(604)	(754)
NET LOSS ATTRIBUTABLE TO UNRIVALED BRANDS, INC.	$ (31,271)	$ (30,117)
Loss from continuing operations per common share attributable to Unrivaled Brands, Inc. common stockholders – basic and diluted	$ (0.11)	$ (0.04)
Net loss per common share attributable to Unrivaled Brands, Inc. common stockholders – basic and diluted	$ (0.08)	$ (0.16)
Weighted-Average Number of Common Shares Outstanding – Basic and Diluted	376,625,320	191,978,187

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

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(in thousands, except for Shares)

	Preferred Stock Convertible Series A		Common Stock		Additional Paid-In Capital	Treasury Stock		Accumulated Deficit	Non-Controlling Interest	Total
	Shares	Amount	Shares	Amount		Shares	Amount			
Balance at December 31, 2019	**8**	**$ —**	**118,004,978**	**$ 120**	**$ 260,516**	**2,308,412**	**$ (808)**	**$ (189,686)**	**$ 5,184**	**$ 75,326**
Stock compensation - employees	—	—	3,894,544	4	515	—	—	—	—	519
Stock compensation - directors	—	—	1,359,090	1	103	—	—	—	—	104
Stock compensation - services expense	—	—	1,159,615	1	151	—	—	—	—	152
Stock cancellation	—	—	(21,924,177)	—	—	—	—	—	—	—
Debt conversion - common stock	—	—	31,086,209	31	2,413	—	—	—	—	2,444
Stock issued for cash	—	—	2,470,173	2	248	—	—	—	—	250
Stock option expense	—	—	58,154,027	58	9,246	—	—	—	—	9,304
Issuance of warrants to Aegis	—	—	—	—	1,868	—	—	—	—	1,868
Series A	—	—	—	—	—	—	—	—	—	—
Contribution (distribution) to non-controlling interest	—	—	—	—	—	—	—	—	33	33
Net loss attributable to non-controlling interest	—	—	—	—	—	—	—	—	(754)	(754)
Net loss attributable to Unrivaled Brands, Inc.	—	—	—	—	—	—	—	(30,117)	—	(30,117)
Balance at December 31, 2020	**8**	**$ —**	**194,204,459**	**218**	**$ 275,060**	**2,308,412**	**$ (808)**	**$ (219,803)**	**$ 4,463**	**$ 59,130**
Adoption of ASU 2020-06	—	—	—	—	(1,071)	—	—	1,059	—	(12)
Stock compensation - employees	—	—	250,000	—	67	—	—	—	—	67
Stock compensation - directors	—	—	1,917,837	2	493	—	—	—	—	495
Stock compensation - services expense	—	—	4,556,603	5	1,074	—	—	—	—	1,079
Warrants Issued to Dominion	—	—	—	—	5,978	—	—	—	—	5,978
Debt conversion - common stock	—	—	24,939,780	25	5,031	—	—	—	—	5,056
Stock issued for cash	—	—	9,677,419	10	3,746	—	—	—	—	3,756
Stock option exercises	—	—	3,381,878	3	2	—	—	—	—	5
Stock option expense	—	—	—	—	2,415	—	—	—	—	2,415
Acquisition of A Shares	—	—	16,485,714	17	5,874	8	—	—	—	5,891
Stock issued for Umbrla Acquisition	—	—	191,772,781	192	79,630	—	—	—	—	79,822
Stock issued for People's Acquisition	—	—	40,000,000	40	12,140	—	—	—	—	12,180
Stock issued for Silverstreak Acquisition	—	—	9,051,412	9	2,491	—	—	—	—	2,500
Net contribution from non-controlling interest	—	—	—	—	—	—	—	—	—	—
Net income attributable to non-controlling interest	—	—	—	—	—	—	—	—	(604)	(604)
Net loss attributable to Unrivaled Brands, Inc.	—	—	—	—	—	—	—	(31,271)	—	(31,271)
Balance at December 31, 2021	**8**	**$ —**	**496,237,883**	**521**	**$ 392,930**	**2,308,420**	**$ (808)**	**$ (250,015)**	**$ 3,859**	**$ 146,487**

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

Table of Contents

UNRIVALED BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31, 2021	Year Ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	$ (31,875)	$ (30,871)
Less: Income from discontinued operations	11,186	(22,865)
Net loss from continuing operations	(43,061)	(8,006)
Adjustments to reconcile net loss to net cash used in operating activities:		
Deferred tax expense	835	—
Bad debt expense	(3,097)	650
Depreciation and amortization	6,198	3,920
Impairment loss	6,171	19,910
Gain on sale of assets	(3,133)	—
Discount on issuance of common stock	756	—
Gain on debt forgiveness	(86)	—
Gain on sale of investments	(5,337)	—
Amortization of operating lease right of use asset	3,193	857
Loss (gain) on extinguishment of debt	5,976	—
Non-cash interest expense	1,977	1,004
Non-cash portion of severance expense	7,990	—
Stock-based compensation	4,056	2,175
Unrealized gain on investments	—	(29,045)
Other	—	841
Change in operating assets and liabilities:		
Accounts receivable	3,029	227
Inventory	1,832	3,575
Prepaid expenses and other current assets	579	461
Other assets	684	(524)
Accounts payable and accrued expenses	(2,636)	(566)
Operating lease liabilities	(1,083)	(1,093)
Net cash provided by / (used in) operating activities - continuing operations	(15,160)	(5,614)
Net cash provided by / (used in) operating activities - discontinued operations	(2,586)	(9,223)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	**(17,745)**	**(14,837)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of property, equipment and leasehold improvements	15,264	20,772
Insurance proceeds for damaged assets	—	452
Issuance of note receivable	—	(250)
Cash from acquisitions	2,309	57
Cash paid for acquisitions	(24,397)	—
Proceeds from sales of investments	39,382	—
Proceeds from sales of assets	—	—
Net cash provided by / (used in) investing activities - continuing operations	32,558	21,031
Net cash provided by / (used in) investing activities - discontinued operations	(11,768)	(9,228)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	**20,790**	**11,803**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of notes payable	8,500	2,954
Payments of debt principal	(6,774)	(507)
Proceeds from issuance of common stock	3,005	250
Purchase of treasury stock	(228)	—
Cash contribution from non-controlling interest	—	152
Cash distribution to non-controlling interest	—	(145)
Other	—	(8)
Net cash provided by / (used in) financing activities - continuing operations	4,502	2,696
Net cash provided by / (used in) financing activities - discontinued operations	—	—
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	**4,502**	**2,696**

NET CHANGE IN CASH	**7,547**	**(338)**
Cash at beginning of period	217	1,226
Cash reclassified to discontinued operations	$ (873)	$ (671)
CASH AT END OF PERIOD	**$ 6,891**	**$ 217**
SUPPLEMENTAL DISCLOSURE FOR OPERATING ACTIVITIES:		
Cash paid for interest	$ 633	$ 1,177
SUPPLEMENTAL DISCLOSURE FOR NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Non-cash Capex	$ 2,986	$ —
Stock issued for the acquisition of OneQor	$ —	$ 9,305
Promissory note issued for severance	$ 2,100	$ —
Stock issued for prior year bonuses	$ —	$ 469
Stock options exercised on a net share basis	$ 3	$ —
Fixed assets in accounts payable	$ 100	$ 484
Non-cash consideration for acquisition of Umbrla Inc	$ 79,032	$ —
Non-cash consideration for acquisition of People's, including acquisition liabilities outstanding	$ 58,749	$ —
Non-cash consideration for acquisition of Silverstreak, including acquisition liabilities outstanding	$ 8,500	$ —
Debt principal and interest converted to common stock	$ 5,056	$ 2,444

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

UNRIVALED BRANDS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS

Organization

References in this document to "the Company", "Unrivaled", "we", "us", or "our" are intended to mean Unrivaled Brands, Inc., individually, or as the context requires, collectively with its subsidiaries on a consolidated basis. Effective July 7, 2021 the Company changed its corporate name from "Terra Tech Corp." to "Unrivaled Brands, Inc." in connection with the Company's acquisition of UMBRLA, Inc ("UMBRLA").

Unrivaled is a holding company with the following subsidiaries:

- 620 Dyer LLC, a California corporation ("Dyer");
- 1815 Carnegie LLC, a California limited liability company ("Carnegie");
- Black Oak Gallery, a California corporation ("Black Oak");
- Blüm San Leandro, a California corporation ("Blüm San Leandro");
- MediFarm, LLC, a Nevada limited liability company ("MediFarm");
- MediFarm I, LLC, a Nevada limited liability company ("MediFarm I");
- 121 North Fourth Street, LLC, a Nevada limited liability company ("121 North Fourth")
- OneQor Technologies, Inc., a Delaware corporation ("OneQor")
- UMBRLA, Inc., a Nevada corporation ("UMBRLA")
- Halladay Holding, LLC ("Halladay")
- People's First Choice, LLC, a California limited liability company ("People's")
- Silverstreak Solutions, Inc, a California corporation ("Silverstreak")

The Company is a multi-state operator (MSO) with retail, production, distribution, and cultivation operations, with an emphasis on providing the highest quality of medical and adult use cannabis products. From the acquisition of UMBRLA, the Company has multiple cannabis lifestyle brands. The Company is home to Korova, a brand of high potency products across multiple product categories, currently available in California, Oregon, Arizona, and Oklahoma. Other Company brands include Cabana, a boutique cannabis flower brand, and Sticks, a mainstream value-driven cannabis brand, active in California and Oregon. With the acquisition of People's First Choice, the Company operates the premier cannabis dispensary in Orange County California. The Company also owns dispensaries in California which operate as The Spot in Santa Ana, Blum in Oakland and Silverstreak in San Leandro. The Company also has licensed distribution facilities in Portland, Los Angeles, and Sonoma County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and with the instructions to Securities Exchange Commission ("SEC") Form 10-K and Regulation S-X and reflect the accounts and operations of the Company and those of our subsidiaries in which we have a controlling financial interest. In accordance with the provisions of FASB or ASC 810, *"Consolidation"*, we consolidate any variable interest entity ("VIE"), of which we are the primary beneficiary. 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. 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. We do not consolidate a VIE in which we have a majority ownership interest when we are not considered the primary beneficiary. We evaluate our relationships with all the VIEs on an ongoing basis to reassess if we continue to be the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the consolidated financial position of the Company as of December 31, 2021 and 2020, and the consolidated results of operations and cash flows for the years ended December 31, 2021 and 2020 have been included.

Going Concern

The accompanying financial statements have been prepared assuming that we will continue as a going concern. In an effort to achieve liquidity that would be sufficient to meet all of our commitments, we have undertaken a number of actions,

including minimizing capital expenditures and reducing recurring expenses. However, we believe that even after taking these actions, we will not have sufficient liquidity to satisfy all of our future financial obligations. The risks and uncertainties surrounding our ability to raise capital, our limited capital resources, and the weak industry conditions impacting our business raise substantial doubt as to our ability to continue as a going concern. See Note 23 – "*Going Concern*" of the Notes to Consolidated Financial Statements for additional information.

Non-Controlling Interest

Non-controlling interest is shown as a component of stockholders' equity on the consolidated balance sheets and the share of income (loss) attributable to non-controlling interest is shown as a component of income (loss) in the consolidated statements of operations.

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 estimates and assumptions related to allowances for doubtful accounts, sales returns, inventory valuation, stock-based compensation expense, goodwill and purchased intangible asset valuations, investments, deferred income tax asset valuation allowances, uncertain tax positions, and litigation 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 will be affected.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation. These reclassifications did not affect net loss, revenues and stockholders' equity. See Note 19, *"Discontinued Operations"* for further discussion regarding discontinued operations.

Trade and other Receivables

The Company extends non-interest bearing trade credit to its customers in the ordinary course of business which is not collateralized. Accounts receivable are shown on the face of the consolidated balance sheets, net of an allowance for doubtful accounts. The Company analyzes the aging of accounts receivable, historical bad debts, customer creditworthiness and current economic trends, in determining the allowance for doubtful accounts. The Company does not accrue interest receivable on past due accounts receivable. The reserve for doubtful accounts was $3.68 million and nil as of December 31, 2021 and 2020, respectively.

Investments

Investments in unconsolidated affiliates are accounted for under the cost or the equity method of accounting, as appropriate. The Company accounts for investments in limited partnerships or limited liability corporations, whereby the Company owns a minimum of 5% of the investee's outstanding voting stock, under the equity method of accounting. These investments are recorded at the amount of the Company's investment and adjusted each period for the Company's share of the investee's income or loss, and dividends paid. As investments accounted for under the cost method do not have readily determinable fair values, the Company only estimates fair value if there are identified events or changes in circumstances that could have a significant adverse effect on the investment's fair value.

Publicly held equity securities are recorded at fair value with unrealized gains or losses resulting from changes in fair value reflected as unrealized gains or losses on equity securities in our consolidated statements of operations.

Inventory

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. The Company periodically reviews physical inventory for excess, obsolete, and potentially impaired items and reserves. 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.

Prepaid Expenses and Other Current Assets

Prepaid expenses consist of various payments that the Company has made in advance for goods or services to be received in the future. These prepaid expenses include advertising, insurance, and service or other contracts requiring up-front payments.

Property, Equipment and Leasehold Improvements, Net

Property, equipment and leasehold improvements are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The approximate useful lives for depreciation of our property, equipment and leasehold improvements are as follows: thirty-two years for buildings; three to eight years for furniture and equipment; three to five years for computer and software; five years for vehicles and the shorter of the estimated useful life or the underlying lease term for leasehold improvements. Repairs and maintenance expenditures that do not extend the useful lives of related assets are expensed as incurred.

Expenditures for major renewals and improvements are capitalized, while minor replacements, maintenance and repairs, which do not extend the asset lives, are charged to operations as incurred. Upon sale or disposition, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. The Company continually monitors events and changes in circumstances that could indicate that the carrying balances of its property, equipment and leasehold improvements may not be recoverable in accordance with the provisions of ASC 360, *"Property, Plant, and Equipment."* When such events or changes in circumstances are present, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. See Note 7*, "Property, Equipment and Leasehold Improvements, Net"* for further information.

Intangible Assets

Intangible assets continue to be subject to amortization, and any impairment is determined in accordance with ASC 360, *"Property, Plant, and Equipment,"* intangible assets are stated at historical cost and amortized over their estimated useful lives. The Company uses a straight-line method of amortization, unless a method that better reflects the pattern in which the economic benefits of the intangible asset are consumed or otherwise used up can be reliably determined. The approximate useful lives for amortization of our intangible assets are as follows:

Customer Relationships	3 to 5 Years
Trademarks	2 to 8 Years
Dispensary Licenses	14 years

The Company reviews intangible assets subject to amortization quarterly to determine if any adverse conditions exist or a change in circumstances has occurred that would indicate impairment or a change in the remaining useful life. Conditions that may indicate impairment include, but are not limited to, a significant adverse change in legal factors or business climate that could affect the value of an asset, a product recall, or an adverse action or assessment by a regulator. If an impairment indicator exists, we test the intangible asset for recoverability. For purposes of the recoverability test, we group our amortizable intangible assets with other assets and liabilities at the lowest level of identifiable cash flows if the intangible asset does not generate cash flows independent of other assets and liabilities. If the carrying value of the intangible asset (asset group) exceeds the undiscounted cash flows expected to result from the use and eventual disposition of the intangible asset (asset group), the Company will write the carrying value down to the fair value in the period identified.

Intangible assets that have indefinite useful lives are tested annually for impairment, or more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount of the asset group exceeds its fair value.

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 but are tested for impairment annually or whenever events or changes in circumstances indicate that the asset might be impaired.

The Company reviews the goodwill allocated to each of our reporting units for possible impairment annually as of September 30 and whenever events or changes in circumstances indicate carrying amount may not be recoverable. In the impairment test, the Company measures the recoverability of goodwill by comparing a reporting unit's carrying amount, including goodwill, to the estimated fair value of the reporting unit.

The carrying amount of each reporting unit is determined based upon the assignment of our assets and liabilities, including existing goodwill and other intangible assets, 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. Where the Company has had an acquisition that benefited more than one reporting unit, The Company has assigned the goodwill to our reporting units as of the acquisition date such that the goodwill assigned to a reporting unit is the excess of the fair value of the acquired business, or portion thereof, to be included in that reporting unit over the fair value of the individual assets acquired and liabilities assumed that are assigned to the reporting unit.

If the carrying amount of a reporting unit is in excess or its fair value, the Company recognizes an impairment charge equal to the amount in excess.

Notes Receivable

The Company reviews all outstanding notes receivable for collectability as information becomes available pertaining to the Company's inability to collect. An allowance for notes receivable is recorded for the likelihood of non-collectability. The Company accrues interest on notes receivable based net realizable value. The allowance for uncollectible notes was nil as of December 31, 2021 and 2020, respectively.

Assets Held for Sale and Discontinued Operations

Assets held for sale represent furniture, equipment, and leasehold improvements less accumulated depreciation as well as any other assets that are held for sale in conjunction with the sale of a business. The Company records assets held for sale in accordance with ASC 360*, "Property, Plant, and Equipment,"* at the lower of carrying value or fair value less costs to sell. Fair value is based on the estimated proceeds from the sale of the facility utilizing recent purchase offers, market comparables and/or data. Our estimate as to fair value is regularly reviewed and subject to changes in the commercial real estate markets and our continuing evaluation as to the facility's acceptable sale price. The reclassification takes place when the assets are available for immediate sale and the sale is highly probable. These conditions are usually met from the date on which a letter of intent or agreement to sell is ready for signing. The Company follows the guidance within ASC 205, *"Reporting Discontinued Operations and Disclosure of Disposals of Components of an Entity"* when assets held for sale represent a strategic shift in the Company's operations and financial results.

Fair Value of Financial Instruments, Non-Financial Instruments and Derivative Assets

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.

The Company records its investment in Edible Garden AG, Inc. at fair value. On March 30, 2020, Edible Garden Corp., a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into and closed an Asset Purchase Agreement (the "Purchase Agreement") with Edible Garden AG Incorporated ("Edible Garden", or the "Purchaser"), pursuant to which Edible Garden sold and the Purchaser purchased substantially all of the assets of Edible Garden (the "Business"). The consideration paid for the Business included two option agreements to purchase up to a 20% interest in the Purchaser for a nominal fee. The first option gave the Company the right to purchase a 10% interest in the Purchaser for one dollar at any time between the one and five-year anniversary of the transaction, or at any time should a change in control event or public offering occur. The second option gave the Company the right to purchase an additional 10% interest in the Purchaser for one dollar at any point prior to the five-year anniversary of the transaction. During the year ended December 31, 2021, the Company exercised its options and acquired 5,000,000 shares of Edible Garden AG, Inc.'s common stock for two dollars. During 2021, the Company concluded that the investment in Edible Garden was impaired and recorded an impairment charge of $0.33 million, which is included in "Net Income from Discontinued Operations" for the year ended December 31, 2021.

The following tables present the Company's financial instruments that are measured and recorded at fair value on the Company's balance sheets on a recurring basis, and their level within the fair value hierarchy as of December 31, 2020:

Investments as of December 30, 2020:	Amount	Level 1	Level 2	Level 3
Warrants to acquire shares of HydroFarm	$ 10,195	$ —	$ 10,195	$ —
Shares of HydroFarm	23,850	—	23,850	—
Option to acquire common shares of Edible Garden:	330	—	—	330
Total	**$ 34,375**	**$ —**	**$ 34,045**	**$ 330**

Business Combinations

The Company accounts for its business acquisitions in accordance with ASC 805-10, "*Business Combinations.*" 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.

Revenue Recognition and Performance Obligations

Revenue from our retail dispensaries is recorded at the time customers take possession of the product. Revenue from our retail dispensaries is recognized net of discounts, promotional adjustments and returns. We collect taxes on certain revenue transactions to be remitted to governmental authorities, which may include sales, excise and local taxes. These taxes are not included in the transaction price and are, therefore, excluded from revenue. Upon purchase, the Company has no further performance obligations and collection is assured as sales are paid for at time of purchase.

The Company recognizes revenue from cultivation, manufacturing and distribution product sales when our customers obtain control of our products. Revenue is recorded when the customer is determined to have taken control of the product. This determination is based on the customer specific terms of the arrangement and gives consideration to factors including, but not limited to, whether the customer has an unconditional obligation to pay, whether a time period or event is specified in the arrangement and whether the Company can mandate the return or transfer of the products. Revenue is recorded net of taxes collected from customers that are remitted to governmental authorities with collected taxes recorded as current liabilities until remitted to the relevant government authority.

Disaggregation of Revenue

The table below includes revenue disaggregated by geographic location for the years ended December 31, 2021 and 2020:

	(in thousands)	
	2021	**2020**
California	$ 42,120	$ 6,161
Oregon	5,553	—
Total	**$ 47,673**	**$ 6,161**

Contract Balances

Due to the nature of the Company's revenue from contracts with customers, the Company does not have material contract assets or liabilities that fall under the scope of ASC Topic 606.

Contract Estimates and Judgments

The Company's revenues accounted for under ASC Topic 606, generally, do not require significant estimates or judgments based on the nature of the Company's revenue streams. The sales prices are generally fixed at the point of sale and all consideration from contracts is included in the transaction price. The Company's contracts do not include multiple performance obligations or material variable consideration.

Cost of Goods Sold

Cost of goods sold includes the costs directly attributable to product sales and includes amounts paid for finished goods, such as flower, edibles, and concentrates, as well as packaging and delivery costs. It also includes the labor and overhead costs incurred in cultivating and producing cannabis flower and cannabis-derived products. Overhead expenses include allocations of rent, administrative salaries, utilities, and related costs.

Advertising Expenses

The Company expenses advertising costs as incurred in accordance with ASC 720-35, *"Other Expenses – Advertising Cost."* Advertising expenses from continuing operations totaled $1.29 million and $0.19 million in the years ended December 31, 2021 and 2020, respectively.

Stock-Based Compensation

The Company accounts for its stock-based awards in accordance with ASC Subtopic 718-10, *"Compensation – Stock Compensation",* which requires fair value measurement on the grant date and recognition of compensation expense for all stock-based payment awards made to employees and directors, including restricted stock awards. For stock options, the Company estimates the fair value using a closed option valuation (Black-Scholes) model. The fair value of restricted stock awards is based upon the quoted market price of the common shares on the date of grant. The fair value is then expensed over the requisite service periods of the awards, net of estimated forfeitures, which is generally the performance period and the related amount is recognized in the consolidated statements of operations.

The Black-Scholes option-pricing model requires the input of certain assumptions that require the Company's judgment, including the expected term and the expected stock price volatility of the underlying stock. The assumptions used in calculating the fair value of stock-based compensation represent management's best estimates, but these estimates involve inherent uncertainties and the application of judgment. As a result, if factors change resulting in the use of different assumptions, stock-based compensation expense could be materially different in the future. The Company accounts for forfeitures of stock-based awards as they occur.

Income Taxes

The provision for income taxes is determined in accordance with ASC 740, *"Income Taxes"*. The Company files a consolidated United States federal income tax return. The Company provides for income taxes based on enacted tax law and statutory tax rates at which items of income and expense are expected to be settled in our income tax return. Certain items of revenue and expense are reported for Federal income tax purposes in different periods than for financial reporting

purposes, thereby resulting in deferred income taxes. Deferred taxes are also recognized for operating losses that are available to offset future taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company has incurred net operating losses for financial-reporting and tax-reporting purposes. At December 31, 2020, such net operating losses were offset entirely by a valuation allowance. At December 31, 2021, we have released the valuation allowance due to our net deferred tax liability position.

The Company recognizes uncertain tax positions based on a benefit recognition model. Provided that the tax position is deemed more likely than not of being sustained, the Company recognizes the largest amount of tax benefit that is greater than 50.0% likely of being ultimately realized upon settlement. The tax position is derecognized when it is no longer more likely than not of being sustained. The Company classifies income tax related interest and penalties as interest expense and selling, general and administrative expense, respectively, on the consolidated statements of operations.

Loss Per Common Share

In accordance with the provisions of ASC 260, *"Earnings Per Share,"* net loss per share is computed by dividing net loss by the weighted-average shares of common stock outstanding during the period. During a loss period, the effect of the potential exercise of stock options, warrants, convertible preferred stock, and convertible debt are not considered in the diluted loss per share calculation since the effect would be anti-dilutive. The results of operations were a net loss for the years ended December 31, 2021 and 2020. Therefore, the basic and diluted weighted-average shares of common stock outstanding were the same for all years presented.

Potentially dilutive securities that are not included in the calculation of diluted net loss per share because their effect is anti-dilutive are as follows (in common equivalent shares):

	Year Ended December 31,	
	2021	**2020**
Common stock warrants	30,677,637	1,076,555
Common stock options	88,251,380	17,492,830
	118,929,017	**18,569,385**

Recently Adopted Accounting Standards

FASB ASU No. 2020-06 "*Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*" – Issued in August 2020, ASU 2020-06 simplifies the accounting for convertible instruments by eliminating the requirement to separate embedded conversion features from the host contract when the conversion features are not required to be accounted for as derivatives under Topic 815, Derivatives and Hedging, or that do not result in substantial premiums accounted for as paid-in capital. By removing the separation model, a convertible debt instrument will be accounted for as a single liability measured at its amortized cost and the interest rate on convertible debt instruments will typically be closer to the coupon interest rate when applying the guidance in Topic 835, Interest. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those years. The Company adopted ASU 2020-06 as of January 1, 2021, utilizing the modified retrospective method of adoption. As a result of adoption of the new standard, previously recognized beneficial conversion features for convertible debt instruments outstanding as of January 1, 2021 were removed from additional paid-in capital and the debt discount. A cumulative impact adjustment was recorded to account for a reduction in interest expense due to a decrease in the discount, which is recognized as interest expense upon conversion of the convertible notes. The January 1, 2021 cumulative effect adjustment to the Company's financial position was as follows (in thousands):

	As Reported December 31, 2020	Cumulative Effect Adjustment	As Reported January 1, 2021
Additional Paid-In Capital	$ 275,060	$ 1,071	$ 276,131
Accumulated Deficit	$ 219,803	$ (1,059)	$ 218,744
Debt Discount	$ 50	$ (12)	$ 38

FASB ASU No. 2019-12*, “Simplifying the Accounting for Income Taxes”* - Issued in December 2020, 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 adopted the standard January 1, 2021. Adoption had no material impact on the Company’s financial position or results of operations..

FASB Accounting Standards Update (“ASU”) No. 2016-13*, “Measurement of Credit Losses on Financial Instruments”* - Issued in June 2016*,* ASU 2016-13 replaces the “incurred loss” credit losses framework with a new accounting standard that requires management's measurement of the allowance for credit losses to be based on a broader range of reasonable and supportable information for lifetime credit loss estimates. The Company adopted the standard January 1, 2020. Adoption had no material impact on the Company’s financial position or results of operations.

NOTE 3 – CONCENTRATIONS OF BUSINESS AND CREDIT RISK

The Company maintains cash balances in several financial institutions that are insured by either the Federal Deposit Insurance Corporation or the National Credit Union Association up to certain federal limitations. At times, the Company’s cash balance exceeds these federal limitations and it maintains significant cash on hand at certain of its locations. The Company has not historically experienced any material loss from carrying cash on hand. The amount in excess of insured limitations was $5.42 million and $0.06 million as of December 31, 2021 and 2020, respectively.

The Company provides credit in the normal course of business to its customers. 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. There were no customers that comprised more than 10.0% of the Company's revenue for the years ended December 31, 2021 and 2020.

The Company sources cannabis products for retail, cultivation and production from various vendors. However, as a result of the new regulations in the State of California, the Company’s California retail, cultivation and production operations must use vendors licensed by the State effective January 1, 2018. As a result, we are dependent upon the licensed vendors in California to supply products as of that date. If the Company is unable to enter into a relationship with sufficient members of properly licensed vendors, the Company’s sales may be impacted. During the years ended December 31, 2021 and 2020, we did not have any concentration of vendors for inventory purchases. However, this may change depending on the number of vendors who receive appropriate licenses to operate in the State of California.

NOTE 4 – VARIABLE INTEREST ENTITY ARRANGEMENTS

NuLeaf, Inc.

On October 26, 2017, the Company entered into operating agreements with NuLeaf, Inc. and formed NuLeaf Sparks Cultivation, LLC and NuLeaf Reno Production, LLC (collectively “NuLeaf”) to build and operate cultivation and production facilities of cannabis products in Nevada. The agreements were subject to approval by the State of Nevada, the City of Sparks and the City of Reno in Nevada. Under the terms of the agreements, the Company remitted to NuLeaf an upfront investment of $4.50 million in the form of convertible loans bearing an interest rate of 6% per annum. On June 28, 2018, the Company received approval from the State of Nevada. The remaining required approvals from local authorities were received in July 2018. As a result, the notes receivable balance was converted into a 50% ownership interest in NuLeaf. The investment in NuLeaf was initially recorded at cost and accounted for using the equity method.

In February 2019, we amended and restated the NuLeaf agreements and obtained control of the operations of NuLeaf. The Company has determined these entities are variable interest entities in which the Company is the primary beneficiary by reference to the power and benefits criterion under ASC 810, *“Consolidation.”* The provisions within the amended agreement granted the Company the power to manage and make decisions that affect the operation of these entities. As the primary beneficiary of NuLeaf Sparks Cultivation, LLC and NuLeaf Reno Production, LLC, the Company began consolidating the accounts and operations of these entities on March 1, 2019. All intercompany transactions are eliminated in the consolidated financial statements. Effective March 1, 2019, we remeasured our equity method investment in NuLeaf to fair value and consolidated the results of NuLeaf within our consolidated financial statements.

In November 2021, Nuleaf entered a definitive agreement with Jushi Holdings Inc to acquire NuLeaf, Inc. together with its subsidiaries and affiliated companies with an expected closing in 2022. Nuleaf operations are considered held for sale as of December 31, 2021 and are therefore included in Discontinued Operations as of and for the years ended December 31, 2021 and 2020.

During the year ended December 31, 2021, revenue and net loss attributed to NuLeaf was $12.90 million and $0.69 million, respectively. During the year ended December 31, 2020, revenue and net loss attributed to NuLeaf was $8.13 million and $4.08 million, respectively. The aggregate carrying values of Sparks Cultivation, LLC and NuLeaf Reno Production, LLC assets and liabilities, after elimination of any intercompany transactions and balances, in the consolidated balance sheets were as follows:

	(in thousands)	
	December 31, 2021	December 31, 2020
Current assets:		
Cash	$ 1,544	$ 671
Accounts receivable, net	1,553	483
Inventory	1,359	3,118
Prepaid expenses and other current assets	39	21
Total current assets	4,495	4,293
Property, equipment and leasehold improvements, net	5,099	7,442
Other assets	295	395
TOTAL ASSETS	**$ 9,889**	**$ 12,130**
Liabilities:		
Total current liabilities	$ 350	$ 396
Total long-term liabilities	184	307
TOTAL LIABILITIES	**$ 534**	**$ 703**

NOTE 5 – INVESTMENTS IN UNCONSOLIDATED AFFILIATES

Hydrofarm

On August 28, 2018, the Company entered into a Subscription Agreement with Hydrofarm Holdings Group, Inc. ("Hydrofarm"), one of the leading independent providers of hydroponic products in North America, pursuant to which the Company agreed to purchase from Hydrofarm and Hydrofarm agreed to sell to the Company 2,000,000 "Units", each Unit consisting of one share of common stock and one warrant to purchase one-half of a share of common stock for an initial exercise price of $5.00 per share, for $2.50 per Unit for an aggregate purchase price of $5.00 million. The investment in Hydrofarm was recorded at cost and was included in other assets on the consolidated balance sheet as of December 31, 2020.

On November 24, 2020, Hydrofarm's board of directors and stockholders approved an amendment to their amended and restated certificate of incorporation effecting a 1-for-3.3712 reverse stock split of their issued and outstanding shares of common stock. Subsequent to the reverse split, the Company owned 593,261 shares of common stock in Hydrofarm, with an exercise price at $8.43 per share, and 296,630 warrants to purchase one share of common stock, with an exercise price of $16.86 per share.

On December 14, 2020, Hydrofarm announced the closing of its initial public offering; shares of Hydrofarm began trading on the Nasdaq Global Select Market under the ticker symbol "HYFM." Hydrofarm's common shares outstanding on the closing date were 31,720,727; the Company's ownership percentage in Hydrofarm was approximately 1.9%.

Upon closing of Hydrofarm's initial public offering, the Company determined that the investment in Hydrofarm no longer qualifies to be stated at cost, as the equity security has a readily determinable value and therefore should be recorded at fair value. In the fourth quarter of 2020, the Company recorded its investment in Hydrofarm of 593,261 common shares and the warrants to acquire an additional 296,630 of Hydrofarm common stock at an exercise price of $16.86, at their respective fair values. The difference in basis was recorded in current period earnings.

On June 16, 2021, the Company completed disposition of 593,261 shares of Hydrofarm common stock and warrants to purchase 296,630 shares of Hydrofarm common stock at a current exercise price of $16.86 per share, for aggregate gross proceeds of $40.76 million in cash pursuant to a Securities Purchase Agreement (the "SPA") between the Company and two accredited investors. There is no material relationship between the Company or its affiliates and either of the investors other than in respect of the transactions contemplated by the SPA.

Edible Garden

On March 30, 2020, Edible Garden Corp. ("Edible Garden"), a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into and closed an Asset Purchase Agreement (the "Purchase Agreement") with Edible Garden Incorporated (the "Purchaser"), pursuant to which Edible Garden sold and the Purchaser purchased substantially all of the assets of Edible Garden (the "Business"). The consideration paid for the Business included two option agreements to purchase up to a 20% interest in the Purchaser for a nominal fee. The first option gives the Company the right to purchase a 10% interest in the Purchaser for one dollar at any time between the one and five-year anniversary of the transaction, or at any time should a change in control event or public offering occur. The second option gives the Company the right to purchase an additional 10% interest in the Purchaser for one dollar at any point prior to the five-year anniversary of the transaction. During the year ended December 31, 2021, the Company exercised its options and acquired 5,000,000 shares of Edible Garden's common stock for a nominal fee. Refer to Note 16, "*Fair Value Measurements"* for additional information.

NOTE 6 – INVENTORY

Raw materials consist of materials and packaging for manufacturing of products owned by Unrivaled Brands. Work-in-progress consists of cultivation materials and live plants grown at Black Oak Gallery and Hegenberger. Finished goods consists of cannabis products sold in retail and distribution.

Inventory as of December 31, 2021 and 2020 consisted of the following:

	(in thousands)	
	December 31, 2021	**December 31, 2020**
Raw materials	$ 2,258	$ —
Work-in-progress	1,077	392
Finished goods	3,844	367
Total inventory	**$ 7,179**	**$ 759**

NOTE 7 – PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET

Property, equipment, and leasehold improvements, net consists of the following:

	(in thousands)	
	December 31, 2021	December 31, 2020
Land and building	$ 7,788	$ 206
Furniture and equipment	3,873	1,135
Computer hardware	348	152
Leasehold improvements	14,409	5,850
Vehicles	1,142	123
Construction in progress	1,832	8,500
Subtotal	29,392	15,966
Less accumulated depreciation	(5,663)	(3,336)
Property, equipment and leasehold improvements, net	**$ 23,729**	**$ 12,630**

Depreciation expense related to property, equipment and leasehold improvements for the years ended December 31, 2021 and 2020 was $2.06 million and $1.37 million, respectively.

NOTE 8 – INTANGIBLE ASSETS AND GOODWILL

Goodwill

Goodwill arises from the purchase price for acquired businesses exceeding the fair value of tangible and intangible assets acquired less assumed liabilities.

Goodwill is reviewed annually for impairment or more frequently if impairment indicators arise. The Company conducts its annual goodwill impairment assessment as of the last day of the third quarter, or more frequently under certain circumstances. For the purpose of the goodwill impairment assessment, the Company has the option to perform a qualitative assessment (commonly referred to as "step zero") to determine whether further quantitative analysis for impairment of goodwill or indefinite-lived intangible assets is necessary or a quantitative assessment ("step one") where the Company estimates the fair value of each reporting unit using a discounted cash flow method (income approach). Goodwill is assigned to the reporting unit, which is the operating segment level or one level below the operating segment. The balance of goodwill at December 31, 2021 and 2020 was $48.13 million and $6.17 million, respectively.

The table below summarizes the changes in the carrying amount of goodwill:

Balance at December 31, 2019	$ 21,471
Impairment	(15,300)
Balance at December 31, 2020	6,171
Goodwill arising from acquisitions	48,132
Impairment	(6,171)
Balance at December 31, 2021	$ 48,132

The Company tests for impairment annually on September 30, and between annual tests if the Company becomes aware of an event or a change in circumstances that would indicate the carrying value may be impaired. During the first quarter of 2020, the impact of COVID-19 on the retail industry as well as uncertainty around when the Company would be able to resume its normal operations contributed to a significant and prolonged decline in the Company's stock price, resulting in

the market capitalization of the Company falling below its carrying value. As a result, management determined that a triggering event had occurred as it was more likely than not that the carrying values of the Black Oak Gallery reporting unit exceeded its fair value. Accordingly, the Company performed a quantitative assessment of the fair value of Black Oak Gallery's goodwill as of March 31, 2020 using a market capitalization approach. This analysis resulted in an impairment charge of $4.20 million recorded in the first quarter of 2021. The goodwill impairment charge was measured as the amount by which the carrying amount of the reporting unit, including goodwill, exceeded its fair value.

During the second quarter of 2020, COVID-19 and civil unrest in Oakland, California continued to have a material negative impact on the financial results of the Black Oak Gallery reporting unit. As a result, management determined that a triggering event had occurred as it was more likely than not the carrying value Black Oak Gallery's goodwill exceeded its fair value. Accordingly, the Company performed a quantitative assessment of the fair value of Black Oak Gallery's goodwill as of June 30, 2020 using an income approach. The analysis resulted in an impairment charge of $2.75 million recorded in the second quarter of 2020. The goodwill impairment charge was measured as the amount by which the carrying amount of the reporting unit, including goodwill, exceeded its fair value.

During the third quarter of 2020, COVID-19 and the aftermath of civil unrest in Oakland, California continued to have a material negative impact on the financial results of the Black Oak Gallery reporting unit. The Company completed its annual testing for impairment as of September 30, 2020 using the Guideline Public Company method. The results of the step one assessment indicated the carrying value of the reporting unit exceeded the fair value by $8.35 million as of September 30, 2020. As a result, the Company recognized an impairment charge of $8.35 million during the third quarter of 2020.

We recorded an impairment loss of $6.17 million following the performance of our 2021 annual goodwill impairment test, which was performed as of September 30, 2021 and was completed during the fourth quarter of 2021. The impairment loss represented the excess of the carrying value of our Black Oak Gallery reporting unit over the estimated fair value based on a discounted cash flow analysis. The impairment recognizes the impact of COVID-19 on the financial performance of Black Oak Gallery's operations, as well as declines in our forecasted revenue and earnings.

The impairment charges relating to goodwill and other assets are presented in the "Impairment of Assets" line in the Consolidated Statements of Operations.

Intangible Assets, Net

Intangible assets consisted of the following as of December 31, 2021 and 2020:

		(in Thousands)					
		December 31, 2021			December 31, 2020		
	Estimated Useful Life in Years	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Amortizing Intangible Assets:							
Customer Relationships	3 to 5	$ 7,400	$ (7,400)	$ —	$ 7,400	$ (7,400)	$ —
Trademarks and Patent	2 to 8	4,500	(750)	3,750	196	(187)	9
Operating Licenses	14	100,701	(6,864)	93,837	10,270	(3,485)	6,785
Total Amortizing Intangible Assets		**112,601**	**(15,014)**	**97,587**	**17,866**	**(11,072)**	**6,794**
Non-Amortizing Intangible Assets:							
Trade Name	Indefinite	32,050	—	32,050	920	—	920
Total Non-Amortizing Intangible Assets		**32,050**	**—**	**32,050**	**920**	**—**	**920**
Total Intangible Assets, Net		**$ 144,651**	**$ (15,014)**	**$ 129,637**	**$ 18,786**	**$ (11,072)**	**$ 7,714**

Long-lived assets other than goodwill and indefinite-lived intangible assets, held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The Company evaluates recoverability of assets to be held and used and if the carrying value is not recoverable, the Company fair values the asset and compares to the carrying value. If the asset is considered to be impaired, the impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. The analysis for impairment of long-lived assets other than goodwill and indefinite-lived intangible assets is the first impairment analysis performed and related impairment charges are recognized before the impairment of goodwill analysis.

During 2021, the impact of COVID-19 on the retail industry had a negative impact on our revenues and management was forced to limit store operating hours due to the pandemic. Management believes the COVID-19 outbreak will continue to have a material negative impact on the Company's financial results. These factors, including management's revised forecast for the future performance of our Black Oak Gallery reporting unit, indicated the carrying value of Black Oak Gallery's customer relationships and trade name may not be recoverable. Management evaluated the recoverability of the customer relationships using level 3 inputs and a probability-weighted approach to assess the potential impact of a long-term decline in our existing customer base due to the COVID-19 pandemic. The recoverability test indicated that the book value of customer relationships exceeded fair value. As a result, the Company recognized impairment charges of $0.46 million during 2021.

The company evaluates impairment of the Black Oak Gallery trade name using level 3 inputs and an income approach. The recoverability test indicated that the fair value of the trade name exceeded the book value. Accordingly, no impairment charge has been recognized.

The Company recorded amortization expense of $3.39 million and $2.55 million for the years ended December 31, 2021 and 2020, respectively. Based solely on the amortizable intangible assets recorded as of December 31, 2021, the Company estimates amortization expense for the next five years to be as follows:

	(in thousands) Year Ending December 31,					
	2022	2023	2024	2025	2026 and thereafter	Total
Amortization expense	$ 9,443	$ 8,693	$ 7,193	$ 7,193	$ 65,065	$ 97,587

Actual amortization expense to be reported in future periods could differ from these estimates as a result of new intangible asset acquisitions, changes in useful lives or other relevant factors or changes.

NOTE 9 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

	(in thousands)	
	December 31, 2021	December 31, 2020
Accounts Payable	$ 16,804	$ 6,027
Tax Liabilities	5,147	337
Accrued Payroll and Benefits	1,409	782
Current Lease Liabilities	3,120	694
Other Accrued Expenses	5,423	385
Total Accounts Payable and Accrued Expenses	$ 31,903	$ 8,225

NOTE 10 – NOTES PAYABLE

Notes payable consists of the following:

	(in thousands)		
	December 31, 2021		December 31, 2020
Promissory note dated January 18, 2018, issued for the purchase of real property. The promissory note is collateralized by the land and building purchased and matures January 18, 2022. The promissory note bears interest at 12.0% for year one and escalates 0.5% per year thereafter. The full principle balance and accrued interest are due at maturity. In the event of default, the note is convertible at the holder's option.	6,500	$	6,500
Promissory note dated October 5, 2018, issued for the purchase of real property. Matured October 5, 2021. The promissory note bore interest at 12.0% for year one and escalated 0.5% per year thereafter up to 13.5%. In the event of default, the note was convertible at the holder's option.	—		1,600
Promissory note dated June 11, 2019, issued to accredited investors, which matured December 31, 2021 and bore interest at a rate of 7.5% per annum. The conversion price was the lower of $4.50 or 87% of the average of the two (2) lowest VWAPs in the thirteen (13) trading days prior to the conversion date.	—		2,800
Promissory note dated October 21, 2019, issued to accredited investors, which matured April 21, 2021 and bore interest at a rate of 7.5% per annum. The conversion price was the lower of $4.50 or 87% of the average of the two (2) lowest VWAPs in the thirteen (13) trading days prior to the conversion date.	—		725
Secured promissory note dated December 30, 2019, issued to Matthew Lee Morgan Trust (a related party), which matured January 30, 2021, and bore interest at a rate of 10% per annum.	—		500
Secured promissory note dated January 10, 2020, issued to an unaffiliated third party. The note matured on July 10, 2021 and bore interest at a rate of 15.0% per annum.	—		1,000
Promissory note dated July 29, 2020, issued to an unaffiliated third party. The note bore interest at a rate of 8% per annum and matured on April 28, 2021.	—		1,000
Promissory note dated May 4, 2020, issued to Harvest Small Business Finance, LLC, an unaffiliated third party. The loan is part of the Paycheck Protection Program ("PPP Loan") offered by the U.S. Small Business Administration. The interest rate on the note is 1.0%. The note requires interest and principle payments seven months from July 2020. The note matures on May 4, 2022.	562		562
Unsecured promissory note dated January 22, 2021, issued to Michael Nahass (a related party), which matures January 25, 2022, and bears interest at a rate of 3% per annum.	1,050		
Convertible promissory note dated January 25, 2021, issued to accredited investors, which matures July 22, 2022 and bears interest at a rate of 3% per annum. The conversion price is $0.175 per share.	3,500		
Promissory note dated July 27, 2021, issued to Arthur Chan, which matures July 26, 2024, and bears interest at a rate of 8% per annum.	2,500		
Senior Secured Promissory Note dated November 22, 2021 issued to Dominion Capital LLC, which matures on February 22, 2022 and bears interest at a rate of 12% per annum.	2,500		
Unsecured promissory note without interest owed to a related party. The loan, which is paid in 20 equal installments, matures on August 1, 2022.	90		
Promissory note dated June 1, 2020, issued as part of the Paycheck Protection Program ("PPP Loan") offered by the U.S. Small Business Administration. The interest rate on the note is 1.0%. The note matures on June 1, 2022.	297		
Line of credit agreement entered on March 31, 2021, which matures on March 31, 2022 and bears interest of 2.9% per 30 days.	4,500		
Promissory note dated October 1, 2021, issued to Sterling Harlan as part of the SilverStreak Solutions acquisition. The interest rate on the note is 3%. The note matures April 1, 2022.	2,000		
Promissory note dated October 1, 2021, issued to Sterling Harlan as part of the SilverStreak Solutions acquisition. The interest rate on the note is 3%. The note matures October 1, 2022.	2,500		

Secured promissory note dated November 22, 2021 issued to People's California, LLC, which matures on November 22, 2023 and bears interest at a rate of 8% per annum. Payments due include $2.00 million plus accrued interest for the first twelve months followed by payments of $1.00 million plus accrued interest until maturity.		28,569		
Promissory note dated May 1, 2019, assumed by the Company on July 1, 2021 in connection with the purchase of real property, from a related party. The note matures on May 15, 2039 and bears interest at a rate of 9.89% per annum.		2,954		
Notes payable - promissory notes	$	57,522	$	14,687
Vehicle loans		204		29
Less: Short term debt		(45,749)		(8,033)
Less: Debt discount		(1,971)		(51)
Net Long Term Debt	**$**	**10,006**	**$**	**6,632**

Scheduled Maturities of Debt

Scheduled maturities of debt are as follows:

	(in thousands)				
	Year Ending December 31,				
	2022	2023	2024	2039	Total
Total Debt	$ 45,749	$ 6,523	$ 2,500	$ 2,954	$ 57,726

Series A Preferred Stock Purchase Agreement

On January 22, 2021, the Company entered into a Series A Preferred Stock Purchase Agreement with Michael A. Nahass, pursuant to which the Company agreed to purchase from Mr. Nahass the four shares of the Company's Series A Preferred Stock held by Mr. Nahass for an aggregate purchase price of $3.10 million, of which (i) $1.00 million was paid in cash, (ii) $1.05 million was paid in the form of an unsecured promissory note bearing interest at the rate of 3% and maturing on July 25, 2021 and (iii) $1.05 million is in the form of an unsecured promissory note bearing interest at the rate of 3% and maturing on or about January 25, 2022.

Mortgages

Carnegie Mortgage

On November 22, 2017, the Company entered into a $4.50 million promissory note for the purchase of land and a building in California with a third-party creditor. The promissory note is collateralized by the land and building purchased and matures in December 1, 2020. The interest rate for the first year is 12.0% and increases 0.5% per year through 2021. Payments of interest only were due monthly. The full principal balance and accrued interest were paid upon sale of the real estate during 2021.

Dyer Mortgage

On January 18, 2018, the Company entered into a $6.50 million promissory note for the purchase of land and a building in California with a third-party creditor. As part of the closing of the purchase of land, the Company issued warrants with a value of approximately $0.16 thousand and paid a cash fee of $0.20 million. The warrants and cash fee were recorded as a debt discount. The unamortized balance of such discount as of December 31, 2021 and 2020 was $0.04 million and $0.14 million, respectively. The interest rate for the first year was 12.0% and increased 0.5% per year, up to 13.0%, through 2021. Payments of interest are due monthly, while the principal balance is due at maturity.

On January 7, 2021, the Company executed an amendment to the terms of the promissory note. The amendment extended the maturity date from January 18, 2021 to January 18, 2022. 620 Dyer paid a 1% fee to extend the maturity date.

4th Street Mortgage

On October 5, 2018, the Company entered into a $1.60 million promissory note for the purchase of a building in Nevada with a third-party creditor. The promissory note is collateralized by the building purchased and matures in October 5, 2021.

The interest rate for the first year is 12.0% and increases 0.5% per year through 2020. Payments of interest only are due monthly, while the full principal balance is due at maturity. The full principal balance and accrued interest were paid upon sale of the real estate during 2021.

2018 Master Securities Purchase Agreement and Convertible Promissory Notes

In March 2018, the Company entered into the 2018 Master Securities Purchase Agreement with an accredited investor pursuant to which the Company sells to the accredited investor 7.5% Senior Convertible Promissory Notes in eight tranches averaging $5.00 million, for a total of $40.00 million. The Company converted $1.98 million of convertible notes into the Company's common stock during the year ended December 31, 2021. As of December 31, 2021, $3.50 million of principal remains outstanding.

For each note issued under the 2018 Master Securities Purchase Agreement, the principal and interest due and owed under the note is convertible into shares of Common Stock at any time at the election of the holder at a conversion price per share equal to the lower of (i) the original conversion price as defined in each note issuance or (ii) 87% of the average of the two lowest daily volume weighted average price of the Common Stock in the thirteen (13) trading days prior to the conversion date ("Conversion Price"). The Conversion Price is subject to adjustment for (i) stock splits, stock dividends, combinations, or similar events and (ii) full ratchet anti-dilution protection. Upon certain events of default, the conversion price will automatically become 70% of the average of the three (3) lowest volume weighted average prices of the Common Stock in the twenty (20) consecutive trading days prior to the conversion date for so long as such event of default remains in effect.

In addition, at any time that (i) the daily volume weighted average price of the Common Stock for the prior ten (10) consecutive trading days is $10.50 or more and (ii) the average daily trading value of the Common Stock is greater than $2.50 million for the prior ten (10) consecutive trading days, then the Company may demand, upon one (1) days' notice, that the holder convert the notes at the Conversion Price.

The Company may prepay in cash any portion of the outstanding principal amount of the notes and any accrued and unpaid interest by, upon ten (10) days' written notice to the holder, paying an amount equal to (i) 110% of the sum of the then-outstanding principal amount of the notes plus accrued but unpaid interest, if the prepayment date is within 90 days of the issuance date of the notes; (ii) 115% of the sum of the then-outstanding principal amount plus accrued but unpaid interest, if the prepayment date is between 91 days and 180 days of the issuance date of the notes; or (iii) 125% of the sum of the then-outstanding principal amount of the notes plus accrued but unpaid interest, if the prepayment date is after 180 days of the issuance date of the notes.

During the years ended December 31, 2021 and 2020, the Company converted debt and accrued interest into 24,939,780 and 31,086,209 shares of the Company's common stock, respectively.

Amendment of Existing Senior Convertible Promissory Notes and Securities Purchase Agreement

On January 25, 2021, the Company entered into several agreements with an accredited investor (the "Lender") that holds the promissory notes under the 2018 Securities Purchase Agreement. The amendments, among other things, (1) extended the maturity date of the June 2019 Note from January 26, 2021 to December 31, 2021 and (2) extended the maturity date of the October 2019 Note from April 21, 2021 to December 31, 2021. In connection with the Note Amendments, the Company issued to the Lender warrants to purchase 5,000,000 shares of the Company's common stock (the "*Old Note Warrants*") at an exercise price of $0.01 per share. The Old Note Warrants are exercisable at any time before the close of business on June 25, 2026. The Old Note Warrants contain cashless exercise provisions and, to the extent not previously exercised, will be automatically exercised via cashless exercise on June 25, 2026.

In conjunction with the above amendments, the Company entered into a Securities Purchase Agreement with certain accredited investors (the "*Purchasers*"), pursuant to which the Company agreed to sell to the Purchasers $3,500,000 in aggregate principal amount of the Company's senior convertible promissory notes (the "*Notes*") and warrants to purchase shares of the Company's common stock (the "*Warrants*"), exercisable at any time before the close of business on June 25, 2026. The Warrants are comprised of 15,000,000 "A Warrants" with an exercise price of $0.01 per share and 15,000,000 "B Warrants" with an exercise price of $0.2284 per share.

The Notes, which are convertible into common stock at any time at the discretion of the respective Purchasers at a conversion price of $0.175 per share of common stock, will bear an interest rate of 3%. The Notes mature on or about July 24, 2022 unless accelerated due to an event of default. The Company has the right to prepay the Notes at any time upon 10 days' prior notice to the Purchasers. If the Company elects to prepay the Notes, the Company must pay the respective

Purchasers an amount in cash equal to the product of (i) the sum of the then-outstanding principal amount of the Notes and all accrued but unpaid interest, multiplied by (ii) (x) 110%, if the prepayment date is within 90 days of the original issue date, (y) 115%, if the prepayment date is between 91 days and 180 days following the original issue date or (z) 125%, if the prepayment date is after the 180th day following the original issue date.

The Company can demand that the Purchasers convert the Notes at any time, on five calendar days' notice, that (i) the daily dollar volume-weighted average price for the Company's common stock for the prior five consecutive trading days is $0.30 or more and (ii) (1) the shares underlying the Notes have been registered with the SEC or (2) there is a fundamental transaction that has been announced by the Company.

The Notes contain standard and customary terms concerning events of default. Events of default include, among other things, any failure to make payments when due, failure to observe or perform material covenants or agreements contained in the Notes, a material default under the Securities Purchase Agreement or related transaction documents or any other material contract to which the Company or any of its subsidiaries is a party, the breach of any representation or warranty in the Notes or the Securities Purchase Agreement, the bankruptcy or insolvency of the Company or any of its subsidiaries, the Company's common stock not being eligible for listing or quotation on a trading market and not eligible to resume listing or quotation for trading within 5 trading days, the Company's failure to meet the current public information requirements under Rule 144 under the Securities Act of 1933, as amended, the Company's failure to file required reports with the SEC, and the Company's failure to maintain sufficient reserved shares for issuance upon conversion of the Notes and exercise of the Warrants. If any event of default occurs, subject to any cure period, the full principal amount, together with interest (including default interest of 18% per annum) and other amounts owing in respect thereof through the date of acceleration shall become, at the Purchaser's election, immediately due and payable in cash.

Management performed an analysis to determine the appropriate accounting treatment of the above transactions and concluded (1) a troubled debt restructuring had not occurred, and (2) as the total change in cash flows was greater than 10% of the carrying value of the debt, the transactions should be treated as a debt extinguishment for accounting purposes. A loss on extinguishment of debt of $5.98 million, equal to the difference between the carrying value of the old debt and the reacquisition price, was recognized in current period earnings.

Debt Assumed in the UMBRLA Acquisition

On July 1, 2021, upon the closing of the UMBRLA acquisition, the Company assumed debt instruments consisting of the following:

Line of Credit: A line of credit agreement with Bespoke Financial, Inc. The line of credit is for the lesser of a maximum draw amount of $4.5 million and a borrowing base consisting of eligible accounts receivable inventory and cash that serves as collateral. The line of credit accrues interest at a rate of 2.9% every 30 days and expires on March 31, 2022. The total outstanding balance on the line of credit was $4.50 million as of December 31, 2021.

Payroll Protection Program ("PPP") Loans**:** In May 2020, Umbrla received loans under the Paycheck Protection Program offered by the U.S. Small Business Administration ("SBA") of which $0.30 million remained outstanding on the acquisition date. The loan proceeds are available to be used to pay for payroll costs, including salaries, commissions and similar compensation, group health care benefits, rent, utilities and interest on certain other outstanding debt. The interest rate on the PPP Loans is a fixed rate of 1% per annum. The Company is required to make principal and interest payments in monthly installments. The PPP loans mature in the second quarter of 2022. The PPP Loans include events of default. Upon the occurrence of an event of default, the lender will have the right to exercise remedies against the Company, including the right to require immediate payment of all amounts due under the PPP Loans.

Related Party Promissory Note**:** On January 1, 2021, UMBRLA issued an unsecured promissory note with a principal balance of $0.20 million to a related party. No interest accrues on the note, except in the case of default, when the note bears 4.0% of interest. Principal payments on the note are due in monthly installments. As of December 31, 2021, the outstanding principal on the note was $0.09 million.

Debt Assumed in the Acquisition of People's Choice

During the year ended December 31, 2021, in connection with the acquisition of People's Choice, the Company issued a secured promissory note in a principal amount of $30.6 million as partial consideration under the purchase agreement. The

note accrues interest on the basis of a 360-day year at a fixed rate of eight percent (8%) per annum and matures on November 22, 2023. The Company agreed to pay the principal balance on the note in monthly installments, commencing on December 1, 2021. The note, of which $28.6 million remained outstanding as of December 31, 2021, is secured by the Company's membership interests in 620 Dyer LLC. The unamortized discount on the note was $1.93 million as of December 31, 2021.

On January 1, 2021, People's First Choice, LLC issued an unsecured promissory note with a principal balance of $5.00 million to a related party. Interest on the note accrues at a rate of 10.00% per annum, compounded quarterly. The note matures on June 30, 2022. The Company may prepay the note in whole or in part without premium or penalty, provided that any partial payment shall first be credited first to interest then due and payable. The note was fully repaid as of December 31, 2021.

Debt Assumed with Purchase of Halladay Holding, LLC.

On July 1, 2021, the Company entered into a Membership Interest Purchase Agreement with Nicholas Kovacevich and Dallas Imbimbo, who are Directors of the Company, pursuant to which the Company acquired 100% of the outstanding membership interests in Halladay Holding, LLC from Mr. Kovacevich and Mr. Imbimbo. Halladay Holding, LLC is the owner of real property located at 3242 S. Halladay Street, Santa Ana, CA 92705, where the Company operates a cannabis dispensary and maintains its principal office space. Upon consummation of the agreement, the Company assumed a mortgage, which had an outstanding balance of $2.97 million as of December 31, 2021. The loan, which accrues interest at a rate of 9.89% per annum, matures on May 1, 2039.

Debt Assumed in the Acquisition of Silverstreak Solutions, Inc. ("Silverstreak")

During the year ended December 31, 2021, in connection with the acquisition of Silverstreak, the Company issued (i) a $2,000,000 unsecured promissory note, with an interest rate of 3% per annum and a maturity date six months after closing of the purchase, and (ii) a $2,500,000 unsecured promissory note with an interest rate of 3% per annum and a maturity date of twelve months after the closing of the transaction.

Additional Financing Arrangements

On December 30, 2019, the Company issued a promissory note to Matthew Lee Morgan Trust (a related party), which matures on January 30, 2021. The note accrues interest at a rate of 10% per annum. The note was converted into 1,428,571 shares of the Company's common stock in January of 2021.

On January 10, 2020, the Company issued a promissory note to Arthur Chan, an unaffiliated third party, in the amount of $1.00 million dollars. The note accrues interest at a rate of 15.00% per annum and matures on January 10, 2021. The note is secured by the Company's real estate located at 620 E. Dyer Rd., Santa Ana, CA. On January 8, 2021, the Company executed an amendment to the promissory note, which extended the maturity date from January 10, 2021 to July 10, 2021. On July 27, 2021, the Company entered into a Note Termination and Exchange Agreement with Arthur Chan, pursuant to which the Company issued to Mr. Chan 4,548,006 shares of the Company's common stock at a price of $0.23 per share as payment in full of the principal, interest and fees payable under the Secured Promissory Note issued by the Company to Mr. Chan on January 10, 2020 in the original principal amount of $1.00 million. As a result, the Secured Promissory Note is no longer outstanding. Contemporaneously with the execution of the Exchange Agreement, the Company issued to Mr. Chan a promissory note in the amount of $2.50 million. The new note bears an interest rate of 8% and matures on July 26, 2024.

On May 4, 2020, OneQor Technologies, Inc entered into a Promissory Note dated May 4, 2020 (the "PPP Note") with Harvest Small Business Finance, LLC (the "Lender"), pursuant to which the Lender agreed to make a loan to the Company under the Paycheck Protection Program (the "PPP Loan") offered by the U.S. Small Business Administration (the "SBA") in a principal amount of $0.56 million pursuant to Title 1 of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The PPP Loan proceeds are available to be used to pay for payroll costs, including salaries, commissions, and similar compensation, group health care benefits, and paid leaves; rent; utilities; and interest on certain other outstanding debt. The amount that will be forgiven will be calculated in part with reference to OneQor's full time headcount during the eight week week period following the funding of the PPP loan. The interest rate on the PPP Note is a fixed rate of 1% per annum. To the extent that the amounts owed under the PPP Loan, or a portion of them, are not forgiven, OneQor will be required to make principal and interest payments in monthly installments. The PPP Note matures in two years. The PPP Note includes events of default. Upon the occurrence of an event of default, the lender will have the

right to exercise remedies against OneQor, including the right to require immediate payment of all amounts due under the PPP Note.

On July 29, 2020, the Company issued a promissory note to an unaffiliated third party, in the amount of $1.00 million. The note incurs interest at a rate of 8.00% per annum and matured on April 28, 2021.

On November 22, 2021, the Company issued a Senior Secured Promissory Note to Dominion Capital LLC in the amount of $2.50 million, which matures on February 22, 2022 and bears interest at a rate of 12% per annum.

NOTE 11 – LEASES

A lease provides the lessee the right to control the use of an identified asset for a period of time in exchange for consideration. Operating lease right-of-use assets are included in other assets while lease liabilities are a line-item on the Company's Consolidated Balance Sheets.

Right-of-use assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. The Company determines if an arrangement is a lease at inception. Right-of-use assets and lease liabilities are recognized at the lease 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 terms used to calculate the right-of-use assets and lease liabilities include the renewal options that the Company is reasonably certain to exercise.

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. Right-of-use assets include any lease payments required to be made prior to commencement and exclude lease incentives. Both right-of-use 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 Company occupies office and other facilities under lease agreements that expire at various dates. In addition, office, production and transportation equipment is leased under agreements that expire at various dates. The Company does not have any significant finance leases. Total operating lease costs for the years ended December 31, 2021 and December 31, 2020 were $2.95 million and $0.69 million, respectively. Short-term lease costs during the 2021 and 2020 fiscal years were not material.

As of December 31, 2021 and December 31, 2020, short term lease liabilities of $3.12 million and $0.69 million are included in "Accounts Payable and Accrued Expenses" on the consolidated balance sheets, respectively. The table below presents total operating right-of-use assets and lease liabilities as of December 31, 2021:

	(in thousands)
Operating right-of-use assets	$ 24,448
Operating lease liabilities	24,436

The table below presents the maturities of operating lease liabilities as of December 31, 2021:

	(in thousands) Operating Leases
2022	$ 5,370
2023	5,301
2024	5,215
2025	4,324
2026	4,209
Thereafter	14,005
Total lease payments	38,424
Less: discount	(13,988)
Total operating lease liabilities	$ 24,436

The table below presents the weighted average remaining lease term for operating leases and weighted average discount rate used in calculating operating lease right-of-use assets:

	December 31, 2021
Weighted average remaining lease term (years)	5.71
Weighted average discount rate	11.4 %

NOTE 12 – TAX EXPENSE

The provision for income taxes consisted of the following for the years ended December 31, 2021 and 2020.

	Year Ended December 31,	
Current:	2021	2020
Federal	108	—
State	860	—
Foreign	—	—
Total current tax expense	968	—

	Year Ended December 31,	
Deferred:	2021	2020
Federal	1,112	—
State	(277)	—
Foreign	—	
Total deferred tax expense	835	—
Total Tax Provision	1,803	—

The components of deferred income tax assets and (liabilities) are as follows:

	Year Ended December 31,	
	2021	2020
Deferred income tax assets:		
Options expense	$ —	$ 2,871
Depreciation	—	194
Allowance for Doubtful Accounts	—	291
Accrued Expenses	58	—
Net operating Losses	5,010	19,676
Total	5,068	23,032
Deferred income tax liabilities:		
Fixed Assets and Intangibles	(11,094)	—
Leases	(96)	—
Unrealized gain on investments	—	(8,658)
Total	(11,190)	14,374
Valuation allowance	—	(14,374)
Net deferred tax assets (liabilities)	$ (6,122)	$ —

The net deferred tax liability as of December 31, 2021 is associated with the Company's continuing operations.

The reconciliation between the Company's effective tax rate and the statutory tax rate is as follows:

	Year Ended December 31,	
	2021	2020
Expected Income Tax Benefit at Statutory Tax Rate, Net	$ (6,385)	$ (6,151)
Changes in income taxes resulting from:		
State taxes (net of federal tax benefits)	9,937	(2,045)
Decrease in valuation allowance	(14,375)	(3,727)
Foreign tax rate differential	—	—
Gain/loss on distinguishment of debt	1,255	—
Non-deductible 280E	5,421	2,683
Goodwill impairment	1,296	5,572
Debt discount	239	—
Passthrough and managed	308	713
RTP adjustments and other	4,107	613
Reported income tax expense (benefit)	$ 1,803	$ —

For the years ended December 31, 2021 and 2020, the Company had subsidiaries that produced and sold cannabis or cannabis pure concentrates, subjecting the Company to the limits of Internal Revenue Code ("IRC") Section 280E. Pursuant to IRC Section 280E, the Company is allowed only to deduct expenses directly related to sales of product. The State of California does not conform to IRC Section 280E and, accordingly the Company is allowed to deduct all operating expenses on its California income tax returns. As the Company files consolidated federal income tax returns, the taxable income generated from its subsidiaries subject to IRC Section 280E has been offset by losses generated by operations not subject to IRC Section 280E.

As of December 31, 2021, the Company had federal net operating loss carryforwards of approximately $16.30 million, which do not expire, but are limited in utilization against 80% of taxable income. As of December 31, 2021, the Company had state net operating loss carryforwards of approximately $17.9 million, which begin to expire in 2038. These tax attributes are subject to an annual limitation from equity shifts, which constitute a change of ownership as defined under IRC Section 382, which will limit their utilization. Management completed an analysis of our owner shifts and believe we underwent ownership changes as defined by Section 382 on May 7, 2018 and July 1,2021. Net operating loss carryforwards have been reduced to reflect the maximum amount available subject to these limitations.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. As of December 31, 2021, we have determined that a valuation allowance is no longer required due to our net deferred tax liability position. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased.

The Company files income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. All tax years are subject to examination.

Under ASC 740-10, Income Taxes, we periodically review the uncertainties and judgments related to the application of complex income tax regulations to determine income tax liabilities in several jurisdictions. We use a "more likely than not" criterion for recognizing an asset for unrecognized income tax benefits or a liability for uncertain tax positions. We have determined we have unrecognized assets related to uncertain tax positions for IRC Section 280E as of December 31, 2021. We do not anticipate any significant changes in such uncertainties and judgments during the next twelve months. We settled prior year positions with adjustments to previously filed income tax returns. As of December 31, 2021, we had approximately $8.6 million of unrecognized tax benefits, all of which would affect the effective tax rate if recognized. Of the $8.6 million in unrecognized tax benefits, all of it relates to prior years through our acquisition of UMBRLA.

NOTE 13 – EQUITY

Preferred Stock

On January 22, 2021, the Company entered into a Resignation and Release Agreement and a Series A Preferred Stock Purchase Agreement with Michael A. Nahass. Mr. Nahass agreed to resign from his positions as a director, executive officer and employee of the Company, and the Company agreed to purchase from Mr. Nahass the four shares of the Company's Series A Preferred Stock held by Mr. Nahass for an aggregate purchase price of $3,100,000, of which (i) $1,000,000 was paid in cash, and $2.1 million was paid in the form of promissory notes. The Company recorded severance expense equal to the fair value of consideration paid to Mr. Nahass in current period earnings.

On January 22, 2021, the Company entered into a Resignation and Release Agreement with Derek Peterson, pursuant to which Mr. Peterson agreed to resign from his positions as a director, executive officer and employee of the Company effective immediately upon the Company's closing of a private placement in the amount of not less than $3,500,000 which occurred on January 25, 2021. In addition, the Company extended the time within which vested common stock options held by Mr. Peterson may be exercised to 150 days after the date of resignation.

Mr. Peterson agreed to the cancellation of his Series A Preferred Stock through conversion into 16,485,714 shares of common stock and, in consideration of the conversion, was issued 4,945,055 warrants to purchase common stock, expiring in June 2026, with an exercise price of $0.01 per share, which are subject to a one-year lockup with registration rights. The Company recorded severance expense equal to the fair value of consideration paid to Mr. Peterson in current period earnings.

On February 3, 2021, the Company filed (1) a Certificate of Withdrawal of Certificate of Designation of the Company's Series A Preferred Stock with the Secretary of State of the State of Nevada, which withdraws the Certificate of Designation establishing the Company's Series A Preferred Stock and eliminates the Company's Series A Preferred Stock from the Company's Articles of Incorporation and (2) a Certificate of Withdrawal of Certificate of Designation of the Company's Series B Preferred Stock with the Secretary of State of the State of Nevada, which withdraws the Certificate of Designation establishing the Company's Series B Preferred Stock and eliminates the Company's Series B Preferred Stock from the Company's Articles of Incorporation.

Common Stock

The Company authorized 990.00 million shares of common stock with $0.001 par value per share. As of December 31, 2021 and 2020, 496.24 million and 194.20 million shares of common stock were outstanding, respectively.

Treasury Stock

During 2019, the Company acquired 2.31 million shares of common stock and 4 shares of Series A Preferred stock as part of a litigation settlement. The shares were recorded at fair market value as of the date the agreement was executed.

During 2021, the Company acquired 8 shares of Series A Preferred stock as part of the resignation and release agreements entered into with Mr. Nahass and Mr. Peterson, as described above. The shares were recorded at fair market value as of the date the agreements were executed.

NOTE 14 – STOCK-BASED COMPENSATION

Equity Incentive Plans

In the first quarter of 2016, the Company adopted the 2016 Equity Incentive Plan. In the fourth quarter of 2018, the Company adopted the 2018 Equity Incentive Plan. The following table contains information about both plans as of December 31, 2021:

	Awards Reserved for Issuance	Awards Exercised	Awards Outstanding	Awards Available for Grant
2016 Equity Incentive Plan	2,000,000	—	499,953	1,500,047
2018 Equity Incentive Plan	43,976,425	3,875,921	14,409,604	25,690,900
2019 Equity Incentive Plan	84,150,000	34,884	73,014,717	11,100,399

Stock Options

The following table summarizes the Company's stock option activity and related information for the year ended December 31, 2021 and 2020:

	Number of Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value of In-the-Money Options
Options Outstanding as of December 31, 2019	**12,365,295**	$ 1.61		
Options Granted	12,803,918	$ 0.08		
Options Exercised	—	$ —		
Options Forfeited	(7,203,334)	$ 1.19		
Options Expired	(473,049)	$ 1.51		
Options Outstanding as of December 31, 2020	**17,492,830**	**$ 0.41**		
Options Granted	88,627,220	$ 0.23		
Options Exercised	(3,910,805)	$ 0.08		
Options Forfeited	(13,547,745)	$ 0.15		
Options Expired	(410,120)	$ 0.41		
Options Outstanding as of December 31, 2021	**88,251,380**	**$ 0.20**	**8.8 years**	**$ 10,334,294**
Options Exercisable as of December 31, 2021	**35,661,302**	**$ 0.27**	**7.6 years**	**$ 3,591,052**

The aggregate intrinsic value is calculated as the difference between the Company's closing stock price of $0.26 on December 31, 2021 and the exercise price of options, multiplied by the number of options. As of December 31, 2021, there was $7.97 million total unrecognized stock-based compensation. Such costs are expected to be recognized over a weighted-average period of approximately 1.58 years. The weighted average fair value of awards granted was $0.23 and $0.08 during 2021 and 2020, respectively.

The Company recognizes compensation expense for stock option awards on a straight-line basis over the applicable service period of the award. The service period is generally the vesting period. The following weighted-average assumptions were used to calculate stock-based compensation:

	Year Ended December 31,	
	2021	2020
Expected term	5 years	6 years
Volatility	106.7 %	104.6 %
Risk-Free Interest Rate	0.8 %	0.4 %
Dividend Yield	0 %	0 %

The Company does not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior. Hence, the Company uses the "simplified method" described in Staff Accounting Bulletin 107 to estimate the expected term of share option grants.

The expected stock price volatility assumption was determined by examining the historical volatilities for the Company's common stock. The Company will continue to analyze the historical stock price volatility and expected term assumptions as more historical data for the Company's common stock becomes available.

The risk-free interest rate assumption is based on the U.S. treasury instruments whose term was consistent with the expected term of the Company's stock options.

The expected dividend assumption is based on the Company's history and expectation of dividend payouts. The Company has never paid dividends on its common stock and does not anticipate paying dividends on its common stock in the foreseeable future. Accordingly, the Company has assumed no dividend yield for purposes of estimating the fair value of the Company stock-based compensation.

Stock-Based Compensation Expense

The following table sets forth the total stock-based compensation expense resulting from stock options and restricted grants of common stock to employees, directors and non-employee consultants in the consolidated statement of operations which are included in selling, general and administrative expenses:

	(in thousands, except for number of shares or options) For the Year Ended			
	December 31, 2021		December 31, 2020	
Type of Award	Number of Shares or Options Granted	Stock-Based Compensation Expense	Number of Shares or Options Granted	Stock-Based Compensation Expense
Stock Options	89,930,019	$ 2,415	4,174,428	$ 1,868
Stock Grants:				
Employees (Common Stock)	250,000	68	740,580	142
Directors (Common Stock)	1,917,837	494	173,610	105
Non–Employee Consultants (Common Stock)	4,556,603	1,078	715,065	60
Total Stock–Based Compensation Expense		**$ 4,055**		**$ 2,175**

NOTE 15 – WARRANTS

The following table summarizes warrant activity for the years ended December 31, 2021 and 2020:

	Shares	Weighted-Average Exercise Price
Warrants Outstanding as of January 1, 2020	1,313,459	$ 2.67
Warrants Issued	—	$ —
Warrants Expired	(236,904)	$ 5.73
Warrants Outstanding as of December 31, 2020	1,076,555	$ 1.99
Warrants Issued	85,336,515	$ 0.08
Warrants Exercised	(586,198)	$ 0.07
Warrants Outstanding as of December 31, 2021	85,826,872	$ 0.22

The weighted-average exercise price and weighted-average fair value of the warrants granted by the Company during 2021 were as follows:

	For the Year Ended December 31, 2021	
	Weighted-Average Exercise Price	Weighted-Average Fair Value
Warrants Granted Whose Exercise Price Exceeded Fair Value at the Date of Grant	$ 0.08	$ 0.21
Warrants Granted Whose Exercise Price Was Equal or Lower Than Fair Value at the Date of Grant	$ —	$ —

The Company estimated the fair value of the warrants issued during 2021 utilizing the Black-Scholes option-pricing model with the following weighted-average inputs:

	Year Ended December 31, 2021
Volatility	112.6 %
Term	3.8 years
Risk-Free Interest Rate	0.2 %
Expected Dividend Rate	0.0 %

For the years ended December 31, 2021 and 2020, zero warrants were issued in connection with debt and recorded as a debt discount.

NOTE 16 – FAIR VALUE MEASUREMENTS

As of December 31, 2020, the Company owned 593,261 common shares of Hydrofarm, a public company trading on the Nasdaq Global Select Market under the ticker symbol "HYFM." As of December 31, 2020, the Company's investment in Hydrofarm is stated at fair value and is presented in the "Short term investments" line within the consolidated balance sheet. As the Hydrofarm shares held by the Company were restricted from sale for a period of 180 days from the date of Hydrofarm's initial public offering, the fair value of the Company's investment was estimated utilizing the market price of the common shares at the end of each reporting period (a level one input), less a discount for lack of marketability (a level two input). The discount for marketability was estimated upon consideration of volatility and the length of the lock-up period On December 31, 2020, the HYFM stock price was $52.58 and the investment value was $23.85 million. Changes in the fair value of the Company's investment are reported in current period earnings.

As of December 31, 2020, the Company held 296,630 warrants to purchase one share of Hydrofarm's common stock, with an exercise price of $16.86 per share. As the underlying shares are restricted from sale for a period of 180 days from the date of Hydrofarm's initial public offering, the fair value of the warrants were estimated using the Black-Scholes option pricing model that uses several inputs, including market price of Hydrofarm's common shares at the end of each reporting period (a level one input), less a discount for lack of marketability (a level two input). The discount for lack of marketability was estimated upon consideration of volatility and the length of the lock-up period. The estimated fair value of the warrants was $10.20 million as of December 31, 2020. Changes in the fair value of the warrants are reported in current period earnings.

On June 16, 2021, the Company completed disposition of 593,261 shares of Hydrofarm common stock and warrants to purchase 296,630 shares of Hydrofarm common stock at a current exercise price of $16.86 per share, for aggregate gross proceeds of $40.76 million in cash pursuant to a Securities Purchase Agreement (the "SPA") between the Company and two accredited investors.

On March 30, 2020, Edible Garden Corp. ("Edible Garden"), then a wholly-owned subsidiary of the Company, entered into and closed an Asset Purchase Agreement (the "Purchase Agreement") with Edible Garden Incorporated (the "Purchaser"), pursuant to which Edible Garden sold and the Purchaser purchased substantially all of the assets of Edible Garden (the "Business"). The consideration paid for the Business included two option agreements to purchase up to a 20% interest in the Purchaser for a nominal fee. The first option gives the Company the right to purchase a 10% interest in the Purchaser for one dollar at any time between the one and five-year anniversary of the transaction, or at any time should a change in control event or public offering occur. The second option gives the Company the right to purchase an additional 10% interest in the Purchaser for one dollar at any point prior to the five-year anniversary of the transaction. The second option is automatically terminated upon payment in full of the $3.00 million secured promissory note.

Management estimated the fair value of the options using the Black-Scholes model, utilizing level 3 inputs that included the stock price, annual volatility, and the probability the second option will be terminated due to repayment of the secured promissory note. The estimated fair value of the options was $0.33 million as of December 31, 2020 and the options are included within the "Investments" line within the consolidated balance sheet. During the year ended December 31, 2021, the Company exercised both options and acquired 5,000,000 common shares of the Purchaser for a nominal fee. During 2021, Management concluded that the investment was impaired and recorded an impairment charge of $0.33 million during the fourth quarter of 2021, representing the total amount of the investment.

NOTE 17 – BUSINESS COMBINATIONS

On February 14, 2020, the Company acquired all of the assets of OneQor Technologies, Inc. ("OneQor"). The acquisition of OneQor was accounted for in accordance with ASC 805-10, *"Business Combinations."* The total consideration transferred included 58,154,027 shares of the Company's common stock, with a fair value of $9.31 million. The preliminary allocation of the purchase price was based upon a preliminary valuation, and the Company's estimates and assumptions of the assets acquired and liabilities assumed were subject to change within the measurement period pending the finalization of a third-party valuation. The multi-period excess earnings method, an income approach, was utilized to estimate the fair value of OneQor's customer relationships. The relief-from-royalty method, an income approach, was

utilized to estimate the fair value of OneQor’s trade name. The following table summarizes the preliminary allocation of the purchase price:

		(in thousands)
Assets acquired		
Accounts receivable	$	51
Inventory		81
Prepaid expenses		241
Property, plant and equipment		80
Customer relationships		3,070
Trade name		690
Goodwill		6,763
Other long-term assets		260
Total Assets acquired	**$**	**11,237**
Liabilities assumed		
Accounts payable and accrued expenses	$	1,481
Deferred income		300
Short-term debt		100
Long-term lease liabilities		108
Total liabilities assumed	**$**	**1,990**

In the view of management, goodwill reflected the future cash flow expectations for OneQor’s market position in the growing CBD industry, synergies and the assembled workforce, at the time of the acquisition. Goodwill recorded for the OneQor transaction is non-deductible for tax purposes. During 2020, Management suspended the operations of OneQor Technologies due to (i) a lack of proper growth in customer acquisition and revenue for this CBD operation during the COVID-19 pandemic and (ii) the overall financial health of the Company as a result of the COVID-19 pandemic and social unrest. During the year ended December 31, 2020, the Company recognized $1.21 million of revenue and a net loss of $12.29 million from OneQor. During the year ended December 31, 2021, the Company recognized a net loss of $0.16 million from OneQor. The results of OneQor's operations are included in Discontinued Operations (see Note 19, *"Discontinued Operations")*.

UMBRLA, Inc.

On July 1, 2021, the Company completed the acquisition of UMBRLA, Inc. Pursuant to Articles of Merger filed by the Company with the Nevada Secretary of State, which became effective upon filing on July 1, 2021. UMBRLA became a wholly owned subsidiary of the Company. The acquisition of UMBRLA was accounted for in accordance with ASC 805-10, “*Business Combinations*.” The preliminary allocation of the purchase price was based upon a preliminary valuation, and the Company’s estimates and assumptions of the assets acquired and liabilities assumed were subject to change within the measurement period pending the finalization of a third-party valuation. The multi-period excess earnings method, an income approach, was utilized to estimate the fair value of UMBRLA customer relationships. The relief-from-royalty method, an income approach, was utilized to estimate the fair value of UMBRLA trade name.

Consideration for the merger consisted of 191,772,781 shares of common stock issued on the acquisition date, 23,424,674 shares of common stock reserved for issuance in one year, and the assumption of all of UMBRLA’s stock options and

warrants outstanding as of July 1, 2021. The fair value of the components of the purchase price is summarized below (in thousands):

Purchase Price (in thousands):

Stock	$	52,929
Liability for holdback shares		6,465
Stock options assumed		9,695
Warrants assumed		10,733
Less: cash transferred		(1,290)
Total consideration		78,532

The preliminary allocation of the purchase price was based upon a preliminary valuation, and the Company's estimates and assumptions of the assets acquired and liabilities assumed were subject to change within the measurement period pending finalization of a third-party valuation. The relief-from-royalty method, an income approach, was utilized to estimate the fair value of UMBRLA's trade name. The multi-period excess earnings method was utilized to estimate the fair value of UMBRLA's licenses. The following table summarizes the preliminary allocation of the purchase price (in thousands):

		(in thousands)
Assets acquired		
Accounts receivable		3,772
Inventory		6,532
Prepaid & other current assets		1,543
Fixed assets		1,450
Notes receivable		750
Other long-term assets		3
Right-of-use asset		460
Trade name		31,130
Licenses		40,760
Goodwill		16,216
Total assets acquired	**$**	**102,617**
Liabilities assumed		
Accounts payable/accrued expenses	$	15,849
Short-term lease liability		118
Long-term lease liability		342
Short-term debt		4,796
Long-term debt		674
Deferred tax liability		499
Uncertain Tax Position		1,806
Total liabilities assumed	**$**	**24,084**

For the fiscal year ended December 31, 2021, the Company recognized $21.50 million of revenue and a net loss of $6.88 million from UMBRLA. In the view of management, goodwill reflects the future cash flow expectations for UMBLRA market position in the cannabis industry, synergies and the assembled workforce. Goodwill recorded for the UMBRLA transaction is non-deductible for tax purposes.

People's California

On August 15, 2021, the Company entered into a Membership Interest Purchase Agreement (the "Purchase Agreement") with People's California, LLC, a California limited liability company ("People's California") and People's First Choice, LLC, a California limited liability company and wholly owned subsidiary of People's California (the "Target"), which operates cannabis dispensary operations. Upon the terms and subject to the satisfaction of the conditions described in the Purchase Agreement, the Company will acquire 100% of the outstanding equity of the Target in two separate closings (the

"Acquisition"), with 80% of the equity of the Target transferred at the first closing and the remaining 20% of the equity transferred at the second closing.

At the first closing of the Acquisition, People's California shall receive from the Company: (a) a cash payment of $24.00 million less certain outstanding indebtedness and transaction expenses related to the Acquisition; (b) a secured note in an aggregate principal amount of $36.00 million less certain indebtedness; and (c) 40,000,000 shares of Company common stock valued at $0.40 per share, subject to terms and conditions of the agreement by and between the Company and People's California, which includes a one-year lockup of the shares. The Purchase Agreement is subject to customary indemnification provisions.

On August 4, 2021, in connection with the Acquisition, People's California issued senior secured indebtedness to the Company, pursuant to the terms of a certain Secured Promissory Note (the "Deposit Note"). The Deposit Note provided for a one-time advance of $6.00 million (the "Loan") by the Company to People's California at a flat rate of 3% per annum. The Deposit Note matures on August 4, 2022.

The full principal balance and all outstanding but unpaid interest is due and payable at the maturity date of August 4, 2022; provided that, if the Company consummates the first closing, pursuant to the terms of the Purchase Agreement, then the principal amount of the Deposit Note, but not the accrued interest, shall be deemed repaid, satisfied, or otherwise applied to the cash consideration paid for the equity of the Target and the Deposit Note shall be deemed satisfied.

On September 1, 2021, in connection with the Acquisition, People's California issued senior secured indebtedness to the Company, pursuant to the terms of a certain Secured Promissory Note (the "Second Deposit Note"). The Second Deposit Note provided for a one-time advance of $9.00 million (the "Loan") by the Company to People's California at a flat rate of 3% per annum. The Second Deposit Note matures on September 1, 2022.

The full principal balance and all outstanding but unpaid interest is due and payable at the maturity date of September 1, 2022; provided that, if the Company consummates the first closing, pursuant to the terms of the Purchase Agreement, then the principal amount of the Second Deposit Note, but not the accrued interest, shall be deemed repaid, satisfied, or otherwise applied to the cash consideration paid for the equity of the Target and the Second Deposit Note shall be deemed satisfied.

On September 1, 2021, the Company entered into a Management Agreement with the Target, which provided the Company with control over the Target's operation and finances. Management concluded that effective September 1, 2021, the Company became the primary beneficiary of the Target as a result of the Management Agreement, and began consolidating the Target's financial results. The Company applied acquisition accounting on September 1, 2021 and allocated the fair value of the Target to its assets and liabilities. The preliminary valuation of the Target was based on the purchase price described below (in thousands):

Purchase Price (in thousands):

Cash	$	24,000
Note payable	$	33,749
Common stock	$	16,000
Less: cash transferred	$	(994)
Total consideration	**$**	**72,755**

The preliminary allocation was based upon the Company's estimates and assumptions of the assets acquired and liabilities assumed are subject to change within the measurement period pending the finalization of a third-party valuation. The following table summarizes the preliminary allocation of the purchase price:

Assets acquired		(in thousands)
Inventory		662
Prepaids		74
Fixed Assets		554
Right-of-use asset		2,105
Trade name		4,500
Licenses		49,510
Goodwill		20,995
Total assets acquired	**$**	**78,400**
Liabilities assumed		
Accounts Payable/Accruals	$	2,586
Short-term lease liability		540
Long-term lease liability		1,565
Deferred tax liabilities		4,775
Total liabilities assumed	**$**	**9,466**

Silverstreak Solutions

On October 1, 2021, the Company completed the acquisition of Silverstreak Solutions, Inc ("Silverstreak"). Silverstreak became a wholly owned subsidiary of the Company. The acquisition of Silverstreak was accounted for in accordance with ASC 805-10, "*Business Combinations*." The preliminary allocation of the purchase price was based upon a preliminary valuation, and the Company's estimates and assumptions of the assets acquired and liabilities assumed were subject to change within the measurement period pending the finalization of a third-party valuation. The cost approach was utilized to estimate the fair value of the Silverstreak license.

Consideration is comprised of (i) One Million Five Hundred Thousand Dollars ($1,500,000) in cash, (ii) 9,051,412 shares of restricted common stock, par value $0.001 per share, which is equal to the quotient obtained by (a) $2,500,000, by (b) the volume-weighted average price of the Purchaser Shares as reported through Bloomberg for the ten (10) consecutive trading days ending on the business day prior to the Closing, (iii) $2,000,000 in unsecured promissory notes with an interest rate of 3% and due six months after the Closing, and (iv)

$2,500,000 in unsecured promissory notes with an interest rate of 3% and due twelve months after the Closing (the "Twelve-Month Notes"). The fair value of the components of the purchase price is summarized below (in thousands):

Purchase Price (in thousands):		
Cash	$	1,500
Note payable		4,500
Common stock		2,500
Less: cash transferred		(24)
Total consideration	**$**	**8,476**

The preliminary allocation was based upon the Company's estimates and assumptions of the assets acquired and liabilities assumed are subject to change within the measurement period pending the finalization of a third-party valuation. The following table summarizes the preliminary allocation of the purchase price:

Assets acquired		**(in thousands)**
Inventory		215
Prepaid expenses		6
Fixed assets		257
Licenses		161
Goodwill		10,921
Total assets acquired	**$**	**11,561**
Liabilities assumed		
Accounts payable and accrued expenses	$	1,517
Deferred taxes		14
Taxes payable		1,553
Total liabilities assumed	**$**	**3,084**

Supplemental Pro-Forma Information (Unaudited)

Supplemental information on an unaudited pro-forma basis is reflected as if each of the 2020 and 2021 acquisitions had occurred in the year prior to the year in which each acquisition closed, after giving effect to certain pro-forma adjustments primarily related to the amortization of acquired intangible assets.

The unaudited pro-forma supplemental information is based on estimates and assumptions that the Company believes are reasonable. The supplemental unaudited pro-forma financial information is presented for comparative purposes only and is not necessarily indicative of what the Company's financial position or results of operations actually would have been had the Company completed the acquisitions at the dates indicated, nor is it intended to project the future financial position or operating results of the Company as a result of the Purchase Agreement.

	For the Year Ended			
		12/31/2021		**12/31/2020**
Pro-forma revenues	$	95,867	$	88,078
Pro-forma net loss from continuing operations		(36,454)		(1,077)

NOTE 18 – COMMITMENTS AND CONTINGENCIES

California and Oregon Operating Licenses

Unrivaled Brands, Inc entities have operated compliantly and have been eligible for applicable licenses and renewals of our licenses.

NOTE 19 – DISCONTINUED OPERATIONS

NuLeaf

On November 17, 2021, Medifarm III, LLC ("Medifarm"), a wholly-owned subsidiary of the Company, entered into a Membership Interest Purchase Agreement (the "Purchase Agreement") with NuLeaf, Inc., a Nevada corporation ("NuLeaf"). Upon the terms and subject to the satisfaction of the conditions described in the Purchase Agreement, Medifarm will sell its fifty percent (50%) of the outstanding membership interests of each of NuLeaf Reno Production, LLC ("NuLeaf Reno") and NuLeaf Sparks Cultivation, LLC ("NuLeaf Sparks") to NuLeaf, which currently owns the remaining fifty percent (50%) of the membership interests of NuLeaf Reno and NuLeaf Sparks, for aggregate consideration of $6.5 million in cash. The company will recognize a gain upon completion of the sale of the assets, equal to the difference between the consideration paid and the book value of the assets as of the disposition date, less direct costs to sell, and reflect such loss in discontinued operations upon closing of the transaction, which is expected to occur during 2022.

Nevada Dispensaries

On May 8, 2019, MediFarm LLC, a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into an Asset Purchase Agreement (the "Purchase Agreement") with Picksy, LLC (the "Purchaser") pursuant to which the Company agreed to sell and the Purchaser agreed to purchase substantially all of the assets of the Company related to the Company's dispensary located at 1130 East Desert Inn Road, Las Vegas, NV 89109 (the "Business"). The aggregate consideration to be paid for the Business is $10.00 million, of which $7.20 million is cash (the "Purchase Price"). A portion of the Purchase Price is payable by the Purchaser pursuant to a 12 month Secured Promissory Note with a principal amount of $2.80 million (the "Note"). The Note is secured by all the assets sold pursuant to the Purchase Agreement. In conjunction with the Note, Purchaser and the Company entered into a Security Agreement granting the Company a security interest in all the assets sold pursuant to the Purchase Agreement. The transaction closed upon receiving all required government approvals during the year ended December 31, 2021. The Company recognized a gain of $5.43 million upon sale of the assets, equal to the difference between the consideration paid and the book value of the assets as of the disposition date, less direct costs to sell, and reflected such gain in income from discontinued operations.

On August 19, 2019, MediFarm I LLC, a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into an Asset Purchase Agreement (the "Purchase Agreement") with Picksy Reno, LLC (the "Purchaser") pursuant to which the Company agreed to sell and the Purchaser agreed to purchase substantially all of the assets of the Company related to the Company's dispensary located at 1085 S Virginia St Suite A, Reno, NV 89502 (the "Business"). The aggregate consideration to be paid for the Business is $13.50 million, of which $9.30 million is cash (the "Purchase Price"). A portion of the Purchase Price is payable by the Purchaser pursuant to a 12 month Secured Promissory Note with a principal amount of $4.20 million (the "Note"). The Note is secured by all the assets sold pursuant to the Purchase Agreement. In conjunction with the Note, Purchaser and the Company entered into a Security Agreement granting the Company a security interest in all the assets sold pursuant to the Purchase Agreement. The transaction closed upon receiving all required government approvals during the year ended December 31, 2021. The Company recognized a gain of $2.37 million upon sale of the assets, equal to the difference between the consideration paid and the book value of the assets as of the disposition date, less direct costs to sell, and reflected such gain in income from discontinued operations.

On April 15, 2020, MediFarm LLC, a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into an Asset Purchase Agreement (the "Purchase Agreement") with Natural Medicine, LLC, a non-affiliated third party (the "Purchaser") pursuant to which the Company agreed to sell and the Purchaser agreed to purchase substantially all of the assets of the Company related to the Company's dispensary located at 3650 S. Decatur Blvd., Las Vegas, NV. The aggregate consideration to be paid for the Business is $5.25 million, of which $2.50 million is cash and $2.75 million is payable by the Purchaser pursuant to a 12-month Secured Promissory Note bearing 8% interest per annum, which is secured by all of the assets sold pursuant to the Purchase Agreement. The transaction closed upon receiving all required government approvals during the year ended December 31, 2021. The Company recognized a gain of $5.03 million upon sale of the assets, equal to the difference between the consideration paid and the book value of the assets as of the disposition date, less direct costs to sell, and reflected such gain in income from discontinued operations.

Real Estate

As of December 31, 2020, the Company classified real property in Las Vegas, NV as available-for-sale, as it met the criteria of ASC 360-10-45-9. On August 9, 2021, the Company sold the property for $2.60 million in cash to 117 Real Estate Holdings LLC. A loss on the sale of the asset of $0.1 million was recorded during the year ended December 31, 2021 and is presented within net income from discontinued operations.

As of December 31, 2020, the Company classified real property in Santa Ana, CA as available-for-sale, as it met the criteria of ASC 360-10-45-9. On August 10, 2021, the Company entered into a Stock Purchase Agreement with two individuals, pursuant to which the Company sold all of the share of common stock of its wholly-owned subsidiary, 1815 Carnegie Santa Ana, Corp. ("1815 Carnegie") to those individuals for aggregate consideration of $1.7 million. 1815 Carnegie holds a permit to operate a cannabis dispensary in the City of Santa Ana, CA. On August 12, 2021, the Company also entered into a Supply agreement with an affiliate of purchasers to obtain a right of first refusal to purchase cannabis bulk and distillate to be integrated into the Company cannabis goods and products, as well as a Retail Space Agreement with 1815 Carnegie, pursuant to which the Company will receive guaranteed placement of 15 SKUs at the cannabis dispensary. Each agreement has a term of three years. The Company recorded a gain on the sale of the asset of $1.7 million during the year ended December 31, 2021, which is presented within net income from discontinued operations.

On December 7, 2021, 620 Dyer LLC, a wholly-owned subsidiary of the Company, entered into a Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (the "PSA") with FRO III/SMA Acquisitions, LLC (the "Buyer") pursuant to which the Company agreed to sell and the Buyer agreed to purchase the real property located at 620 East Dyer Road, Santa Ana, CA (the "Property") for $13.4 million in cash. There is no material relationship between the Company or its affiliates and the Buyer other than in respect of the transactions contemplated by the PSA. The real estate asset was classified as available-for-sale as of December 31, 2021, pending final closing of the PSA.

OneQor

During 2020, Management suspended the operations of OneQor Technologies due to (i) a lack of proper growth in customer acquisition and revenue for this CBD operation during the COVID-19 pandemic and (ii) the overall financial health of the Company as a result of COVID-19 and social unrest. The Company plans to focus its attention and resources on growing its THC business.

Blum Santa Ana

On February 26, 2020, the Company agreed to transfer governance and control of our dispensary operation located at 2911 Tech Center Drive, Santa Ana, CA to Martin Vivero and Tetra House Co. ("Tetra"), who are unaffiliated third parties. The Company received $2.00 million at closing and $1.45 million during the 3rd Quarter of 2020 in exchange for these assets. MediFarm So Cal Inc. ("MediFarm So Cal"), a wholly-owned subsidiary of the Company, terminated the existing management services agreement with 55 OC Community Collective Inc. ("55 OC"). 55 OC is a mutual benefit corporation which holds a cannabis license with the City of Santa Ana in the State of California. Previously, MediFarm So Cal managed the dispensary known as "Blum Santa Ana" under the license of 55 OC. Control of 55 OC was transferred to Mr. Vivero and Tetra House Co. via a new management services agreement and the appointment of Mr. Vivero to the Board of Directors of 55 OC, which was pending final regulatory approval as of the date of our report.

The Company recognized a loss upon sale of the assets equal to the difference between the consideration paid and the book value of the assets as of the disposition date, less direct costs to sell, and reflected such loss in discontinued operations.

The following table summarizes the transaction:

		(in thousands)
Total consideration	$	3,800
Net book value of assets divested and liabilities transferred		
Inventory		23
Prepaid and other current assets		33
Property, plant & equipment		98
Intangible assets and goodwill		6,565
Other long-term assets		54
Lease liability, net of right-of-use asset		(78)
Net book value of assets divested and liabilities transferred		6,695
Loss on sale	$	(2,895)

Edible Garden

On March 30, 2020, Edible Garden Corp. ("Edible Garden"), a wholly-owned subsidiary of Unrivaled Brands, Inc. (the "Company"), entered into and closed an Asset Purchase Agreement (the "Purchase Agreement") with Edible Garden AG Inc. (the "Purchaser"), pursuant to which Edible Garden sold and the Purchaser purchased substantially all of the assets of Edible Garden (the "Business"). The consideration paid for the Business included a five-year $3.00 million secured promissory note bearing interest at 3.5% per annum, which is reflected within the assets under discontinued operations, and two option agreements to purchase up to a 20% interest in the Purchaser for a nominal fee. The first option gives the Company the right to purchase a 10% interest in the Purchaser for one dollar at any time between the one and five-year anniversary of the transaction, or at any time should a change in control event or public offering occur. The second option gives the Company the right to purchase an additional 10% interest in the Purchaser for one dollar at any point prior to the five-year anniversary of the transaction. The second option is automatically terminated upon payment in full of the $3.00 million secured promissory note. During the year ended December 31, 2021, the Company exercised both options and acquired 5,000,000 common shares of the Purchaser for a nominal fee.

Michael James, the Company's former Chief Financial Officer, is a principal of the Purchaser. There is no material relationship between the Company or its affiliates and the Purchaser other than as set forth in the previous sentence. The Purchase Agreement contains customary conditions, representations, warranties, indemnities and covenants by, among, and for the benefit of the parties.

The Company recognized a loss upon sale of the assets equal to the difference between the consideration paid and the book value of the assets as of the disposition date and reflected such loss in discontinued operations. The following table summarizes the transaction:

		(in thousands)
Consideration		
Fair value of note receivable	$	2,960
Fair value of options		330
Less: cash transferred to purchaser		(30)
Total consideration	$	3,260
Net book value of assets divested and liabilities transferred		
Accounts receivable	$	360
Inventory		520
Other current assets		80
Property, plant and equipment		4,100
Intangible assets		70

Other long-term assets	200
Accounts payable and accrued expenses	(1,700)
Lease liabilities, net of right of use assets	(70)
Net book value of assets divested and liabilities transferred	3,560
Loss on sale	$ (300)

The expected and completed sales of our Nevada operations, expected and completed sales of real estate assets, and assets divested during the years ended December 31, 2021 and 2020 represent a strategic shift that will have a major effect on the Company's operations and financial results. As a result, Management determined the results of these components qualified for discontinued operations presentation in accordance with ASC 205, *"Reporting Discontinued Operations and Disclosure of Disposals of Components of an Entity."*

Operating results for discontinued operations were comprised of the following:

	(in thousands)	
	Year ended December 31,	
	2021	**2020**
Total revenues	$ 12,900	$ 13,354
Cost of goods sold	7,687	10,905
Gross profit	5,213	2,449
Selling, general and administrative expenses	6,523	10,495
Impairment of assets	—	10,359
Loss on sale of assets	(6,583)	1,962
Income (Loss) from operations	**$ 5,273**	**$ (20,367)**
Interest expense	(976)	(565)
Other income (loss)	7,806	12
Income (Loss) from discontinued operations	**$ 12,103**	**$ (20,920)**
Income (Loss) from discontinued operations per common share attributable to Terra Tech Corp common stockholders - basic and diluted	**$ 0.02**	**$ (0.03)**

The carrying amounts of the major classes of assets and liabilities for the discontinued operations are as follows:

	(in thousands)	
	December 31, 2021	December 31, 2020
Cash	1,544	671
Accounts receivable, net	1,553	483
Inventory	1,359	2,152
Prepaid expenses and other assets	39	23
Property, equipment and leasehold improvements, net	17,661	10,207
Other assets	323	582
Assets of discontinued operations	**$ 22,479**	**$ 14,118**
Accounts payable and accrued expenses	$ 1,170	$ 1,380
Short-term Debt	—	—
Deferred gain on sale of assets	—	8,783
Long-term lease liabilities	184	335
Liabilities of discontinued operations	**$ 1,354**	**$ 10,498**

NOTE 20 – SEGMENT INFORMATION

In 2020 given the limited nature of the company's assets, the Company had only one reportable segment. During 2021, the Company acquired assets and opened new operations, such that it has determined previously insignificant operating segments are now significant and are reportable segments requiring disclosure in accordance with ASC 280. Our reportable segments are as follows:

	(in thousands) Total Revenue Year Ended December 31,		% of Total Revenue Year Ended December 31,	
Segment	**2021**	**2020**	**2021**	**2020**
Cannabis Retail	$ 24,540	$ 5,400	51.5 %	87.6 %
Cannabis Cultivation & Distribution	$ 23,131	$ 460	48.5 %	7.5 %
Corporate and Other	$ 2	$ 301	— %	4.9 %
Total	**$ 47,673**	**$ 6,161**	**100.0 %**	**100.0 %**

Cannabis Retail

Either independently or in conjunction with third parties, we operate medical marijuana and adult use cannabis dispensaries in California. All our retail dispensaries offer a broad selection of medical and adult use cannabis products including flower, concentrates and edibles.

Cannabis Cultivation and Distribution

We operate distribution centers in California and Oregon that distribute our own branded products as well as third party products to our own dispensaries and to other non-affiliated medical marijuana and/or adult use cannabis dispensaries.

	(in thousands) For the Year Ended December 31, 2021			
	Cannabis Retail	Cannabis Cultivation and Distribution	Corporate and Other	Total
Total Revenues	$ 24,540	$ 23,131	$ 2	$ 47,673
Cost of goods sold	13,706	22,000	—	35,706
Gross Profit	10,834	1,131	2	11,967
Selling, general and administrative expenses	12,327	7,961	27,969	48,257
Impairment of Assets	6,171	—	—	6,171
(Gain) / Loss on sale of assets	—	56	(3,189)	(3,133)
Loss from operations	(7,664)	(6,886)	(24,778)	(39,328)
Other income / (expense):				
Extinguishment of debt income / (expense)	—	116	(6,092)	(5,976)
Gain / (loss) on investments	—	—	5,337	5,337
Interest income / (expense)	(85)	(186)	(1,505)	(1,776)
Other income / (loss)	110	85	(628)	(433)
Total other income	25	15	(2,888)	(2,848)
Loss from continuing operations before provision for income taxes	$ (7,639)	$ (6,871)	$ (27,666)	$ (42,176)
Total assets at December 31, 2021	$ 67,821	$ 476	$ 203,527	$ 271,824

	(in thousands) For the Year Ended December 31, 2020			
	Cannabis Retail	Cannabis Cultivation and Distribution	Corporate and Other	Total
Total Revenues	$ 5,400	$ 460	$ 301	$ 6,161
Cost of goods sold	2,253	293	972	3,518
Gross Profit	3,147	167	(671)	2,643
Selling, General and Administrative Expenses	7,145	1,307	10,867	19,319
Impairment of Assets	19,910	—	—	19,910
(Gain) / Loss on sale of assets	—	—	—	—
Loss from operations	(23,908)	(1,140)	(11,538)	(36,586)
Other income / (expense):				
Interest income/(expense)	—	—	(1,394)	(1,394)
Unrealized gain/(loss) on investments	—	—	29,045	29,045
Other income / (loss)	755	65	109	929
Total other income	755	65	27,760	28,580
Loss before provision for income taxes	$ (23,153)	$ (1,075)	$ 16,222	$ (8,006)
Total assets at December 31, 2020	$ 13,342	$ 37,390	$ 49,563	$ 100,294

NOTE 21 – LITIGATION AND CLAIMS

The Company is the subject of lawsuits and claims arising in the ordinary course of business from time to time. The Company reviews any such legal proceedings and claims on an ongoing basis and follows appropriate accounting guidance when making accrual and disclosure decisions. The Company establishes accruals for those contingencies where the incurrence of a loss is probable and can be reasonably estimated, and it discloses the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued if such disclosure is necessary for the Company's financial statements to not be misleading. To estimate whether a loss contingency should be accrued by a charge to income, the Company evaluates, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of the loss. The Company does not record liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated. Based upon present information, the Company determined that there were no material matters that required an accrual as of December 31, 2021.

The company is currently involved in a breach of contract action brought by former LTRMN, Inc. ("LTRMN") employee, Kurtis Magee, alleging that he is owed a severance payment pursuant to his separation agreement with LTRMN (signed July 8, 2019). Magee was employed by LTRMN, Inc. for approximately 90 days as the Chief Administrative Officer of the company. When Magee was released from employment with LTRMN, the company negotiated a separation agreement with him that became payable upon the close of the acquisition of LTRMN by UMBRLA, Inc. Shortly thereafter a dispute arose whether Magee breached the separation agreement by using proprietary and confidential information of LTRMN to solicit LTRMN clients, and Magee filed suit in August 2020 seeking contract damages in the amount of $835,000, the amount of the severance payment. LTRMN, UMBRLA, and BRND HOUSE, Inc. are named as parties ("Defendants"). Defendants have successfully defended against two motions for a writ of attachment and a summary judgment motion. On October 27, 2021, Defendants' demurrer to the First Amended Complaint ("FAC") was overruled. Plaintiff's deposition is scheduled for April 6, 2022. Trial in this matter is set for December 5, 2022.

NOTE 22 – RELATED PARTY TRANSACTIONS

On March 30, 2020, Edible Garden Corp. ("Edible Garden"), a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into and closed an Asset Purchase Agreement (the "Purchase Agreement") with Edible Garden Incorporated (the "Purchaser"), pursuant to which Edible Garden sold and the Purchaser purchased substantially all of the assets of Edible Garden (the "Business"). Michael James, the Company's former Chief Financial Officer, is a principal of the Purchaser. There is no material relationship between the Company or its affiliates and the Purchaser other than as set forth in the previous sentence. The Purchase Agreement contains customary conditions, representations, warranties, indemnities and covenants by, among, and for the benefit of the parties.

On December 31, 2019, the Company entered into a secured promissory note agreement with the Matthew Lee Morgan Trust, which is affiliated with Matthew Morgan, formerly the Chief Executive Officer of OneQor. The note matured on January 30, 2021, and bears interest at a rate of 10% per annum. The note was converted into the Company's common stock at maturity.

During the fiscal year ended December 31, 2020, the Company issued promissory notes totaling $1.80 million to OneQor. Derek Peterson and Mike Nahass, formerly the Chief Executive Officer and Chief Operating Officer, respectively, had minority ownership interests in OneQor. At the end of the fiscal year, management made the decision to fully-reserve for these loans due to their confidence in the completion of the merger with OneQor, which would result in the cancellation of these loans.

On July 1, 2021, the Company entered into a Membership Interest Purchase Agreement with Nicholas Kovacevich and Dallas Imbimbo, pursuant to which the Company acquired 100% of the outstanding membership interests in Halladay Holding, LLC from Mr. Kovacevich and Mr. Imbimbo. Halladay Holding, LLC is the owner of real property located at 3242 S. Halladay Street, Santa Ana, CA 92705, where the Company operates a cannabis dispensary and maintains its principal office space. Pursuant to the Purchase Agreement, as consideration for the Acquisition, the Company paid Mr. Kovacevich and Mr. Imbimbo an aggregate purchase price of $4.60 million in cash. The Company had an independent third-party perform a valuation of the Property prior to entering into the Purchase Agreement. Mr. Kovacevich is a director of the Company and Mr. Imbimbo was a director of the Company. As such, the Acquisition is a related party transaction.

During the fiscal year ended December 31, 2021, the Company contracted for $0.45 million in goods and services of Greenlane Holdings, Inc. Mr. Kovacevich, a director of the Company, is the CEO of Greenlane Holdings, Inc.

All related party transactions are monitored quarterly by the Company and approved by the Audit Committee of the Board of Directors.

NOTE 23 – GOING CONCERN

We have incurred significant losses in prior periods. For the year ended December 31, 2021, we incurred a pre-tax net loss from continuing operations of $42.18 million and, as of that date, we had an accumulated deficit of $250.02 million . For the year ended December 31, 2020, we incurred a net loss from continuing operations of $8.01 million and, as of that date, we had an accumulated deficit of $219.80 million. We expect to experience further significant net losses in 2022 and the foreseeable future. At December 31, 2021, we had a consolidated cash balance of approximately $6.89 million. We have not been able to generate sufficient cash from operating activities to fund our ongoing operations. Our future success is dependent upon our ability to achieve profitable operations and generate cash from operating activities. There is no guarantee that we will be able to generate enough revenue and/or raise capital to support our operations.

We will be required to raise additional funds through public or private financing, additional collaborative relationships or other arrangements until we are able to raise revenues to a point of positive cash flow. We are evaluating various options to further reduce our cash requirements to operate at a reduced rate, as well as options to raise additional funds, including obtaining loans and selling common stock. There is no guarantee that we will be able to generate enough revenue and/or raise capital to support our operations, or if we are able to raise capital, that it will be available to us on acceptable terms, on an acceptable schedule, or at all.

The issuance of additional securities may result in a significant dilution in the equity interests of our current stockholders. Obtaining loans, assuming these loans would be available, will increase our liabilities and future cash commitments. There is no assurance that we will be able to obtain further funds required for our continued operations or that additional financing will be available for use when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will not be able to meet our other obligations as they become due and we will be forced to scale down or perhaps even cease our operations.

The risks and uncertainties surrounding our ability to continue to raise capital and our limited capital resources raise substantial doubt as to our ability to continue as a going concern for twelve months from the issuance of these financial statements.

NOTE 24 – SUBSEQUENT EVENTS

On January 21, 2022, the Company sold its land in Spanish Springs, Nevada for $0.45 million to an unrelated third party.

On February 1, 2022 the Company granted 294,452 shares Common Stock to Apollo Management Group, Inc. in exchange for the $50,000 Convertible Promissory Note that Apollo Management Group, Inc. held.

On February 8, 2022, the Company paid the outstanding principal and interest on the $1.05 million promissory note held by Michael Nahass. This payment satisfied the obligation and retired the note.

On February 10, 2022, the Company announced the successful closing of the sale of the Company's non-operating real property and building located on Dyer Road in Santa Ana, CA (the "Dyer Property") for $13.40 million. The sale results in the Company retiring $9.00 million of outstanding debt on the property. The Company is continuing to evaluate its options with respect to the license originally connected to the Dyer property, including consideration of the retail density in the area. If the city of Santa Ana grants approval to relocate licenses elsewhere in the city, the Company may consider using the dispensary license to open a dispensary in an underserved part of Santa Ana. Part of the $9.00 million of outstanding debt, that the Company retired in the Dyer property sale, was the $2.50 million promissory note held by Dominion Capital.

On February 12, 2022 the Company's shelf registration was declared effective by the SEC. The Company filed for a shelf registration renewal on Form S-3 with the SEC on September 17, 2021. Our existing registration statement was extended six months as the SEC reviewed our request. The registration statement will allow the Company to issue, from time to time at prices and on declared terms to be determined at or prior to the time of the offering, shares of our Common Stock, par value $0.001 per share, shares of our preferred stock, par value $0.001 per share (our "Preferred Stock"), debt securities, warrants, rights, or purchase contracts, either individually or in units, with a total value of up to $100.00 million.

On February 16, 2022, the Company received notice of forgiveness of a portion of its PPP loan. Approximately $542,000 of the $562,000 note was forgiven. The remainder is to be paid off over the next three years.

On February 23, 2022 Eric Baum became Chairman of the board of directors for the company, succeeding Nicholas Kovacevich. Mr. Kovacevich remains on the board of directors.

On February 28, 2022, the Company sold 25,000,000 shares for an aggregate sales price of $4,375,000 to Arthur Chan, an unrelated party. The shares were restricted.

On March 9, 2022, the Company paid the outstanding principal and interest due on the line of credit facility. The payment satisfied the obligation and retired the debt.

On March 10, 2022, the Company terminated the employment of Oren Schauble, the Company's President. On March 10, 2022, the Company terminated the employment of Uri Kenig, the Company's Chief Operating Officer, effective as of March 25, 2022. On March 13, 2022, the Company terminated the employment of Francis Knuettel II, the Company's Chief Executive Officer. Mr. Knuettel will remain a director of the Company. The Company anticipates it will enter into separation agreements (each, a "Separation Agreement") with each of Mr. Knuettel, Mr. Schauble, and Mr. Kenig regarding the compensation to be granted to each of them regarding their separation from the Company. In addition, the Company anticipates entering into a consulting agreement with Mr. Schauble (the "Schauble Consulting Agreement") pursuant to which he will continue to provide certain services to the Company through a future agreed upon date. The Company intends to disclose the material terms of the Separation Agreements and the Schauble Consulting Agreement, as required by applicable law, at a later date after those agreements have been finalized and executed.

On March 13, 2022, the Company appointed Tiffany Davis, a director of the Company, as the interim Chief Executive Officer of the Company. Ms. Davis was most recently Chief Executive Officer and Chief Financial Officer of Generation Alpha, Inc. and prior to her appointment as Chief Executive Officer in October 2019, was Generation Alpha's Chief Operating Officer from February 2018. The Company anticipates entering into a consulting agreement with Ms. Davis (the "Davis Consulting Agreement") pursuant to which she will provide certain services to the Company through a future agreed upon date. The Company intends to disclose the material terms of the Davis Consulting Agreement, as required by

applicable law, at a later date after that agreement has been finalized and executed. Ms. Davis will remain a director of the Company

On March 17, 2022, the Company entered into a consulting agreement with Oren Schauble, formerly the Conpany's President. The company shall grant 910,623 restricted shares of the Company's Common Stock in four monthly installments. On April 5, 2022, the Company and Mr. Schauble agreed to terms on a separation agreement. The Company agreed to pay Mr. Schauble 50% of the Employee's base salary and continue his medical benefits for a period of six months.

On April 7, 2022, the Company sold its NuLeaf cultivation and production operations in Nevada for $6.50 million.

On April 11, 2022, the Company and People's California, LLC agreed to amend a portion of the November 22, 2021 Closing Documents (Primary Membership Interest Purchase Agreement, Secondary Membership Interest Purchase Agreement, Secured Promissory Note, and other ancillary agreements) . The company will pay People's California, LLC $3 million upon execution of this amendment and $5 million in June of 2022. The remainder of the promissory note held by People's California, LLC shall be subordinated to a future debt facility. The promissory note becomes convertible to the Company's Common Stock at a yet to be agreed upon exercise price.

On April 12, 2022, the Company and Francis Knuettel, formerly the Company's Chief Executive Officer, agreed to terms on a separation agreement. The company agreed to pay Mr. Knuettel 50% of his annual base salary and continue his medical benefits for a period of six months. Mr. Knuettel's unvested shares and options shall vest immediately. As part of this agreement Mr. Knuettel has resigned as a director of the Company.

On April 14, 2022, the Company and Dallas Imbimbo, an advisor to the company and a director of the Company, agreed to terms on a separation agreement. The company agreed to vest 100% of Mr. Imbimbo's restricted common stock granted pursuant to the Advisor agreement with Mr. Imbimbo. The company agreed to vest 100% of the options to purchase shares of the Company's common stock granted as part Mr. Imbimbo's Independent Director Agreement. The Company will pay Mr. Imbimbo $83,333.30 in cash compensation. As part of this agreement Mr. Imbimbo has resigned as a director of the Company and as an Advisor to the company.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Unrivaled Brands, Inc.

Date: April 15, 2022	By:	*/s/ Tiffany Davis*
		Tiffany Davis
		Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Tiffany Davis and Jeffrey Batliner, and each of them, as his true and lawful attorney-in-fact and agents with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this Annual Report on Form 10-K of Unrivaled Brands, Inc. for the fiscal year ended December 31, 2021, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, grant unto said attorney-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the foregoing, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Power of Attorney has been signed by the following persons in the capacities and on the dates stated.

Date: April 15, 2022	By:	*/s/ Eric Baum*
		Eric Baum
		Chairman of the Board
Date: April 15, 2022	By:	*/s/ Tiffany Davis*
		Tiffany Davis Chief Executive Officer and Director (Principal Executive Officer)
Date: April 15, 2022	By:	*/s/ Nicholas Kovacevich*
		Nicholas Kovacevich
		Director
Date: April 15, 2022	By:	*/s/ Jeffrey Batliner*
		Jeffrey Batliner
		Chief Financial Officer

CERTIFICATIONS

EXHIBIT 31.1

Certification of Chief Executive Officer
Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934

I, Tiffany Davis, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2021 of Unrivaled Brands, Inc..;

1. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

1. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

1. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   a. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our
supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   a. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the

effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   a. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

1. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 15, 2022 By: */s/ Tiffany Davis*

Tiffany Davis
Chief Executive Officer and Director

EXHIBIT 31.2

Certification of Chief Financial Officer
Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934

I, Jeffrey Batliner, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2021 of Unrivaled Brands, Inc.;

1. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

1. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

1. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   a. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   a. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the

   effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   a. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

1. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are

   reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   a. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 15, 2022 By: */s/ Jeffrey Batliner*

Jeffrey Batliner
Chief Financial Officer

EXHIBIT 32.1

Certifications of Chief Executive Officer
Pursuant to 1350 of Chapter 63 of Title 18 of the United States Code

Pursuant to U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Executive Officer of Unrivaled Brands, Inc. (the "Company") does hereby certify, to the best of such officer's knowledge, that:

a. The Annual Report on Form 10-K of the Company for the year ended December 31, 2021 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

1. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 15, 2022 By: */s/ Tiffany Davis*

Tiffany Davis
Chief Executive Officer and Director

EXHIBIT 32.2

Certifications of Chief Financial Officer
Pursuant to 1350 of Chapter 63 of Title 18 of the United States Code

Pursuant to U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Financial Officer of Unrivaled Brands, Inc. (the "Company") does hereby certify, to the best of such officer's knowledge, that:

1. The Annual Report on Form 10-K of the Company for the year ended December 31, 2021 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

1. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 15, 2022 By: */s/ Jeffrey Batliner*

Jeffrey Batliner
Chief Financial Officer

SEPARATION AGREEMENT

This Separation Agreement (this "Agreement") is made effective the 12th day of April 2022, by and between Unrivaled Brands, Inc. its successors, parents, subsidiaries, trustees, board members, directors, officers, assigns, agents, sureties, insurers, affiliates, predecessors, and employees, (hereinafter "Employer" or "Unrivaled") and Francis Knuettel II, 116 E. 63rd St., Apt. 3C, New York, NY 10065 (hereinafter "Employee") (collectively referred to as the "Parties").

Recitals

WHEREAS, the undersigned have maintained an employer-employee relationship for a period of time in accordance with that certain Amended and Restated Executive Employment Agreement effective June 7, 2021 (the "Employment Agreement"). The Parties have terminated that relationship. Pursuant to the Employment Agreement, Employee is entitled to certain severance benefits subject to a release agreement.

NOW THEREFORE, in consideration of the promises and the consideration more fully set forth below, and intending to be legally bound hereby, the undersigned mutually agree as follows.

Agreement

1. Termination of Employment and Board Resignation: The Parties acknowledge that Employee's relationship as an employee and officer of the Employer terminated on March 13, 2022 (the "Separation Date"). By executing this Agreement, Employee acknowledges that he has been paid or awarded all wages, monies and benefits to which he was entitled through the Separation Date (other than as provided on Exhibit A hereto). Further, by execution of this Agreement Employee hereby resigns from any and all director positions Employee may hold with Employer or any of its subsidiaries or affiliates (including as a member of the Board of Directors of Employer) effective April 12, 2022. Employee hereby agrees to execute and deliver to Employer any and all additional documentation Employer may deem necessary or appropriate to effectuate such resignations upon request by Employer, but Employee shall be treated for all purposes as having so resigned upon the above date, regardless of when or whether Employee executes any such additional documentation. Employee shall return all company property, including all electronic equipment such as computers, contemporaneous with his execution and delivery of this Agreement.

1. Severance and Other Benefits: The Employer agrees to pay or provide Employee the severance payments and other benefits as set forth in Exhibit A to this Agreement.

1. General Mutual Release: Except as provided herein below, the Parties, on behalf of themselves and their heirs, executors, administrators, successors and assigns, whether herein named or referred to or not, do hereby release, discharge, and acquit and by these presents does hereby forever discharge each other, their successors and assigns, their agents, servants, and/or employees, to the fullest extent provided by law, of and from any and all past, present, and future

claims, counterclaims, demands, actions, causes of action, liabilities, damages, costs, loss of services, expenses, compensation, third-party actions, suits at law or in equity, of every nature and description, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, real or imaginary, actual or potential, and whether arising at law or in equity, under the common law, state or federal law, or any other law, or otherwise, including, but not limited to, any claims that have been or might have been asserted as a result of the establishment or termination of the employer-employee relationship, any and all claims relating to Employee's performance as a Director, Executive, and/or Manager, or from Employee's service as an employee of Unrivaled (except as excluded in Paragraph 3.a. below), hereinafter collectively referred to as claims. It is the intention of the parties hereto to affect a full and final general release of all such claims. It is expressly understood and agreed that this release and agreement is intended to cover, and does cover, not only all now known injuries, losses, and damages, but any future injuries, losses, and damages not now known or anticipated, but which may later develop or be discovered, including all the effects and consequences thereof.

The Parties do hereby declare that they understand, covenant, and agree that they will not make any claims or demands, or file any legal proceedings against each other, or join as a party to any claim, demand, or legal proceedings on the claims described above except as is necessary in order to enforce the terms and conditions of this Agreement or as otherwise allowed by federal or state law.

Further Employee, for himself, his heirs and assigns, does hereby and forever release, acquit and discharge Employer, its directors, agents, parents and/or affiliated companies, successors and/or assigns from any and all claims and demands of whatever nature they may have against Employer its directors, agents, employees, parents and/or affiliated companies, successors and/or assigns, including any claims and demands for damages, wages, salaries, back pay, court costs, damages, liquidated damages, punitive damages, attorneys' fees, including, without limitation, all those claims Employee may have under Section 301 of the Labor Management Relations Act (29 U.S.C. §185), Section 503 of the Rehabilitation Act of 1973 (29 U.S.C. § 706, et seq.), Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000(e), et seq.), the Civil Rights Act of 1866 and 1870 (42 U.S.C. § 1981, et seq.), the Civil Rights Act of 1991 (P.L. 102-166), the Family and Medical Leave Act (29 U.S.C. §1601, et seq.), the Fair Labor Standards Act (29 U.S.C. § 201 et seq.), the Americans with Disabilities Act (42 U.S.C. §12101, et seq.), the Age Discrimination in Employment Act of 1967 as amended (the "ADEA"), the Vietnam Era Veteran Readjustment Act of 1974 (38 U.S.C. Chapter 42, §§ 2011, 2012, and 2014), the Employee Retirement Income Security Act of 1974 as amended (29 U.S.C. § 1001, et seq.), The Sarbanes-Oxley Act of 2002, the Constitutions of the United States of America and Arizona, and/or Executive Order 11246, as amended, the CALIFORNIA FAIR EMPLOYMENT AND HOUSING ACT (Part 2.8 commencing with §12900 of Division 3 of Title 2 of the Government Code) and the Regulations of the Fair Employment and Housing Commission (California Code of Regulations, Title 2, Division 4,§§ 7285.0 through 8504), the California Unruh Act, the Equal Pay Act, the California Family Rights Act; the Families First Coronavirus Response Act and the California Healthy Workplace Healthy Family Act, claims for wrongful discharge, Workers' Compensation retaliation, infliction of mental distress or any other tortuous or contractual causes of actions, including but not limited to any claims that Employer violated or breached any personnel policies, handbooks, contracts (implied or written), or covenants of good faith and fair dealing, and any and all other relevant Federal and/or State law claims or causes of action.

a. Exclusions: Excluded from this release are any claims which cannot be waived by law, including but not limited to the right to participate with or in an investigation conducted by the DFEH, EEOC, or like agency, however Employee expressly waives any right to any monetary recovery arising from such an investigation. Also excluded from this release are any claims of a breach of this Agreement and any claims to any of Employee's rights to indemnification under (i) applicable corporate law, (ii) the by-laws or certificate of incorporation (or other constituent document) of Unrivaled or any applicable indemnification agreement between Employee and Unrivaled. Also excluded from this release are

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claims related to Employee's fraud or felony misconduct while serving as an employee, officer, or director of Employer or its affiliates.

b. Civil Code § 1542: In consideration of the promises of contained in this Agreement, the Parties agree that by signing this Agreement that they represent that they have not filed - and they give up any and all rights they may have to file - a grievance, claim, or complaint of any kind against each other, except as may be necessary to enforce the terms of this Agreement, or for workers' compensation or unemployment insurance benefits, or as otherwise required by law. The Parties understand expressly agree that this Agreement extends to all claims of every nature and kind whatsoever, known or unknown, suspected or unsuspected, past or present, and waive any rights they may have under California Civil Code §1542, which provides in relevant part:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

c. ADEA Release: Employee acknowledges that he has read this mutual release, understands it, and knowingly and voluntarily accepts its terms. Employee acknowledges that he has been advised by Employer to seek the advice of legal counsel before entering into this mutual release and this Agreement and has been provided with a period of at least twenty-one (21) days in which to consider entering into this Agreement. Employee acknowledges that, by signing this Agreement, he is waiving and releasing any rights he may have under the ADEA, and that the payments and benefits provided under Paragraph 2 of this Agreement represent substantial value over and above that to which Employee would otherwise be entitled. Employee has a period of seven (7) days following the execution of this Agreement during which Employee may revoke his release of his ADEA claims by delivering written notice to Employer in accordance with Section 4.12 of the Employment Agreement.

1. Cooperation: During the receipt of severance benefits, Employee agrees to assist Employer, without additional consideration, in the transition of his duties, including at the request of the Board of Directors compliance related issues and the preparation and execution of licenses, internal investigations, and in the defense of any future claims relating to his performance as a Director, Officer, Executive, Manager, or from his service as an employee of Unrivaled.

1. Taxes: Employer shall have the right to deduct from all payments made to Employee under this Agreement any federal, state, local, foreign, or other taxes which, in the opinion of Employer, is required to be withheld with respect to such payments. Employee agrees and represents that any federal, state, local, foreign, or other taxes that may be owed or payable on the consideration identified in Paragraph 2, or that may otherwise have accrued over the course of his employment, pursuant to this Agreement are the sole responsibility of Employee and that he will hold the Employer harmless from and against any liability or claim for any tax, penalty, or interest thereon that may be incurred or demanded as a result of the receipt of the consideration provided for in this Agreement.

1. Effect on Employment Agreement: Employee agrees that this Agreement supersedes and replaces the severance terms under Article 2 of the Employment Agreement and that Employer has no further obligations to make any payments or provide any benefits to Employee under the terms of the Employment Agreement. Notwithstanding the foregoing, each of the Parties acknowledges and agrees that Article 3 of the Employment Agreement (Restrictive Covenants) remains in full force and effect in accordance with its terms, notwithstanding the termination of Employee's employment

1. Choice of Law and Venue: This Agreement shall be governed by and construed in accordance with the laws of the State of California and each Party hereby irrevocably submits to the personal jurisdiction of the Federal and/or State Courts located in Orange County, California.

1. Mutual Understandings: This Agreement has been freely and fairly negotiated by the Parties hereto and each Party has been provided the opportunity to have the Agreement reviewed by legal counsel of their choice and to modify the terms hereof and, therefore, this Agreement shall be construed and interpreted without any presumption, or other rule, requiring construction or interpretation against the interest of the party causing this Agreement to be drafted. This Agreement embodies the entire understanding between the Parties concerning the subject matter hereof and supersedes all prior understandings and agreements, whether oral or written, except as provided in Section 5 *supra* with respect to Article 3 of the Employment Agreement.

THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE FOREGOING PROVISIONS AND THAT SUCH PROVISIONS ARE REASONABLE AND ENFORCEABLE. THE PARTIES ACKNOWLEDGE THAT THEY HAVE SIGNED THIS AGREEMENT OF THEIR OWN FREE AND VOLUNTARY ACT, AND THAT THEY ACKNOWLEDGE THIS IS AN IMPORTANT AND BINDING LEGAL CONTRACT THAT SHOULD BE REVIEWED BY THEIR ATTORNEY.

There are no other representations, agreements, arrangements, or understandings, oral or written, between or among the Parties hereto relating to the subject matter of this Agreement that are not fully expressed in this Agreement. This Agreement and the terms herein shall not be amended or modified, in any manner whatsoever, except by a writing signed by each of the Parties hereto.

8. Construction: This Agreement shall be construed that, wherever applicable, the use of the singular number shall include the plural number and shall be binding upon and inure to the heirs, successors, assigns, executors, administrators, or other appropriate legal representatives of the respective Parties hereto. If any provision or provisions hereof shall be deemed void, invalid, unenforceable, or otherwise stricken, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or provisions and to alter the bounds thereof in order to render it valid and enforceable and the Parties hereby agree to substitute a valid provision that will most closely approximate the economic/legal effect and intent of the invalid provision.

9. Counterparts: This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by electronic mail or other

means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties hereto have set their hands and seals this 12th day of April, 2022.

__________________________________ __________________________________
Employee Unrivaled Brands, Inc.

Francis Knuettel II Don Jenkins, JD, SPHR .
Printed name Vice President of People

Exhibit A

1. Employer will pay to Employee any earned but unpaid base salary through the Separation Date, reimbursement for any valid and outstanding expenses for which Employee has not yet been reimbursed, and any vested benefits or payments under Employer's employee benefit plans in accordance with the terms, and subject to the conditions, of such plans, as accrued through the Separation Date.
2. Employer shall pay to Employee an amount equal to 50% of Employee's most recent annual base salary, less any taxes and withholding as may be necessary pursuant to law, to be paid in accordance with Employer's normal payroll practices, but in no event less frequently than monthly, paid in equal installments over a 6-month period beginning with the first normal payroll period after the date this Agreement becomes effective and irrevocable in accordance with its terms.
3. To the extent Employee chooses to continue Employer group health benefits pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), Employer shall pay (either directly to the provider or as a reimbursement to Employee) the applicable premium payments for a consecutive period of up to six (6) months commencing on the first date of COBRA eligibility.
4. Employer represents and warrants they will promptly take any and all action to issue any unissued, vested shares. Employee's outstanding and unvested stock options and restricted shares that were issued by Employer on June 7, 2021 shall become fully vested on the date that this Agreement becomes effective an irrevocable in accordance with its terms. Employee shall make arrangements satisfactory to Employer to pay the related tax withholding on the vesting of the restricted shares. Moreover, all of Employee's vested stock options (including those that vest pursuant to the immediately preceding sentence) shall remain exercisable until the first anniversary of the date of this Agreement. For the avoidance of doubt, any other Employer equity awards held by Employee that are unvested as of the date of this Agreement (and that do not otherwise vest as

provided above) shall be forfeited automatically and without further action or notice, as of the date of this Agreement.

1. Employer shall pay Employee an amount under the 2021 annual bonus program equal to $30,000, less applicable tax withholdings, and 300,000 fully vested shares of common stock of Employer, pursuant to the Performance Grant as defined in the Employment Agreement, both within five (5) business days after this Agreement becomes effective and irrevocable in accordance with its terms. Employee shall make arrangements satisfactory to Employer to pay the related tax withholding on the payout of the Performance Grant. The payout of the Performance Grant as provided herein shall be in complete satisfaction of Employer's obligations to Employee thereunder.

* * * * *

SEPARATION AGREEMENT

This Separation Agreement is made effective the ___5thday of _____April **2022**, by and between **Unrivaled Brands, Inc. its successors, parents, subsidiaries, trustees, board members, directors, officers, assigns, agents, sureties, insurers, affiliates, predecessors, and employees**, (hereinafter "Employer" or "Unrivaled") and **Oren J Schauble, 2305 Half Moon Lane, Costa Mesa, CA 92627**
(hereinafter "Employee").

Recitals

The undersigned have maintained an employer-employee relationship for a period of time and now desire to terminate that relationship by mutual agreement. It is also the desire of the parties that they enter into a written agreement in order to: establish their respective rights, duties, and obligations; resolve all claims and differences that may currently exist, or that in the future may arise; and generally, to release each other of any claims or other matters that may not be specifically set forth herein.

NOW THEREFORE, in consideration of the promises and the consideration more fully set forth below, and intending to be legally bound hereby, the undersigned mutually agree as follows:

Agreement

1.Termination of Employment Relationship: The employment relationship shall terminate and cease as of the above date, and the exercise and/or waiver of rights, pursuant to this Agreement, after separation, shall be considered to be payment in full and Employer shall not be obligated to pay any other sums to Employee or to provide any other benefits, after the date of this Agreement, except as required by applicable law or regulation, or by this agreement.

2.Consideration: Without admission of any guilt or to any real or imagined claim either party may or may not assert, in consideration of acceptance and execution of this Agreement the parties accept the following good and valuable consideration as follows:

a. In addition to all accrued salary, accrued PTO, reimbursable employee expenses, and other earned pay (which has been contemporaneously tendered and acknowledged) a Severance payout as set forth in Exhibit A hereto, the receipt and sufficiency of which is acknowledged and accepted. Notwithstanding anything to the contrary in any equity incentive plan pursuant to which any stock options were granted by Employer or any of its affiliates to Employee or any stock option agreement entered into between Employer or any of its affiliates and Employee, any vested options to acquire shares of Employer common stock by Employee may be exercised within three months after the date of termination of that certain Consulting Agreement between Employee and Employer, dated as of March 17, 2022.

a. Employee shall be maintained in our system for six (6) months as an "employee," shall receive payments as provide on Exhibit A, and shall remain on the Employer's benefits for that period, with premiums to be paid by the Company as set forth in Exhibit A hereto but will not perform any duties or services on behalf of Unrivaled except as otherwise provided herein.

a. Employee asserts and affirms that they have no outstanding claims against Employer, that this agreement is comprehensive, and that they agree to assist Employer in the defense of any future claims relating to their performance as a Director, Executive, and/or Manager, or from their service as an employee of Unrivaled.

a. Employee agrees and affirms that the consideration set forth above will constitute the entire monetary consideration provided to them under this agreement, and that they will not seek any further remuneration from Employer for any other wages, damages, injuries, penalties, expenses, actions, attorneys' fees, or other costs in connection with the matters encompassed buy this agreement and/or arising out of their employee relationship with Employer and/or the termination thereof.

3.Employment Benefits: Employee will receive notice of their rights to health insurance continuation under COBRA and nothing in this Agreement is intended to impair or supplement those rights.

4.Taxes: Employee agrees and represents that any federal, state or local tax or contribution that may be owed or payable on the consideration identified in Paragraph 2, or that may otherwise have accrued over the course of their employment, pursuant to this Agreement are the sole responsibility of Employee and that they will hold the Employer harmless from and against any liability or claim for any tax, penalty, or interest thereon that may be incurred or demanded as a result of the receipt of the consideration provided for in this Agreement.

5.Restrictive Covenants: Employer and Employee agree that the employment relationship, entered into with Employer is hereby terminated and, except as specifically provided for herein, Employer shall have no further obligation to pay any sums or provide any benefits whatsoever. Employee further agrees to abide by the provisions set forth hereto.

a. Employee agrees to hold and safeguard all trade secrets, proprietary information, and confidential information in trust and confidence for Employer. Employee agrees that they shall not misappropriate, disclose, or make available to any person or any entity for use outside Employer's organization.

a. Employee agrees that all records, data, samples, correspondence, manuals, notes, reports, notebooks, proposals, and any other documents concerning Employer's customers or products or other technical information or business information used by Employer and any other tangible materials or copies or extracts of tangible materials regarding Employer's operations or business, testing, promotional or data received by Employee during their employment with Employer are, and shall be, property of Employer exclusively.

a. During the term of that certain Consulting Agreement between Employee and Employer, dated as of March 17, 2022, Employee agrees that they shall not, directly, or indirectly, solicit or induce or attempt to solicit or induce any employee of Employer to leave Employer for any reason whatsoever nor shall Employee, directly or indirectly, attempt to hire or hire any employee of Employer.

6.Confidentiality and Non-Disparagement: Employee and the Employer agree, covenant and represent that the facts relating to the existence of this Agreement, the circumstances and/or negotiations leading to the execution of this Agreement, and the terms of this Agreement shall, to the extent permissible under California law, be held in confidence, and shall not be disclosed, communicated, offered into evidence in any legal proceeding, or divulged to any person other than those who must perform tasks to effectuate this Agreement. Notwithstanding the

foregoing, the parties may disclose the terms of this Agreement to those persons to whom disclosure is necessary for the preparation of tax returns and other financial reports, the obtaining of legal advice, and to persons to whom disclosure is ordered by a court of competent jurisdiction or otherwise required by law or by obligation to owners, shareholders, partners, or members of the Company. Employee further agrees, covenants, and represents that they shall not take any action or make any comments that actually or potentially damage, impair, or otherwise interfere with Employer's business interests or reputation, except in the exercise of their statutory rights**.** Employer further agrees, covenants, and represents that it shall instruct its employees, officers and directors not to take any action or make any comments that actually or potentially damage, impair, or otherwise interfere with Employee's business interests or reputation, except in the exercise of their statutory rights**. Nothing in this agreement prevents either party from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee or Employer has reason to believe is unlawful. Moreover, nothing in this agreement is intended to limit or restrict Employee or Employer from getting professional advice regarding this agreement or any consequences arising from its execution, including but not limited to their lawyer, their accountant, etc., however all provisions of confidentially and non-disparagement to others shall apply to those parties.**

7.Breach: In the event of a breach by Employee or Employer of the terms of this Agreement, the affected party shall be entitled to liquidated damages in the amount of one times the payment set out in paragraph 2(a) above, and if it shall so elects, to institute legal proceedings to obtain damages for any such breach, or to enforce the specific performance of this Agreement, and to enjoin the breaching party from any further violation of this Agreement and to exercise such remedies cumulatively or in conjunction with all other rights and remedies provided by law.

8.Choice of Law and Venue: This Agreement shall be governed by and construed in accordance with the laws of the State of California and each party hereby irrevocably submits to the personal jurisdiction of the Federal and/or State Courts located in Orange County California.

9.General Release: The Employee, on behalf of their self and their heirs, executors, administrators, successors and assigns, whether herein named or referred to or not, does hereby release, discharge, and acquit and by these presents does hereby forever discharge Employer, its successors and assigns, its agents, servants, and/or employees, of and from any and all past, present, and future claims, counterclaims, demands, actions, causes of action, liabilities, damages, costs, loss of services, expenses, compensation, third-party actions, suits at law or in equity, of every nature and description, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, real or imaginary, actual or potential, and whether arising at law or in equity, under the common law, state or federal law, or any other law, or otherwise, including, but not limited to, any claims that have been or might have been asserted as a result of the establishment or termination of the employer-employee relationship, hereinafter collectively referred to as claims. It is the intention of the parties hereto to affect a full and final general release of all such claims. It is expressly understood and agreed that this release and agreement is intended to cover, and does cover, not only all now known injuries, losses, and damages, but any future injuries, losses, and damages not now known or anticipated, but which may later develop or be discovered, including all the effects and consequences thereof.

Employee does hereby declare that they understand, covenant, and agree that they will not make any claims or demands, or file any legal proceedings against Employer, or join as a party to any claim, demand, or legal proceedings on the claims described above except as is necessary in order to enforce the terms and conditions of this Agreement or as otherwise allowed by federal or state law.

Further Employee, for themselves, their heirs and assigns, does hereby and forever release, acquit and discharge Employer, its directors, agents, parents and/or affiliated companies, successors and/or assigns from any and all claims and demands of whatever nature they may have against Employer its directors, agents, employees, parents and/or affiliated companies, successors and/or assigns, including any claims and demands for damages, wages, salaries, back pay, court costs, damages, liquidated damages, punitive damages, attorneys' fees, including, without limitation, all those claims Employee may have under Section 301 of the Labor Management Relations Act (29 U.S.C. §185), Section 503 of the Rehabilitation Act of 1973 (29

U.S.C. § 706, *et seq.*), Title VII of the Civil Rights Act of 1964, *as amended* (42 U.S.C. § 2000(e), *et seq*.), the Civil Rights Act of 1866 and 1870 (42 U.S.C. § 1981, *et seq*.), the Civil Rights Act of 1991 (P.L. 102-166), the Family and Medical Leave Act (29 U.S.C. §1601, *et seq*.), the Fair Labor Standards Act (29 U.S.C. § 201 *et seq.*), the Americans with Disabilities Act (42 U.S.C.

§12101, *et seq.)*, the Age Discrimination in Employment Act of 1967 as amended, (ADEA), the

Vietnam Era Veteran Readjustment Act of 1974 (38 U.S.C. Chapter 42, §§ 2011, 2012, and 2014), the Employee Retirement Income Security Act of 1974 *as amended* (29 U.S.C. § 1001, *et seq.*), The Sarbanes-Oxley Act of 2002, the Constitutions of the United States of America and Arizona, and/or Executive Order 11246, as amended, the CALIFORNIA FAIR EMPLOYMENT

AND HOUSING ACT (Part 2.8 commencing with §12900 of Division 3 of Title 2 of the

Government Code) and the Regulations of the Fair Employment and Housing Commission

(California Code of Regulations, Title 2, Division 4,§§ 7285.0 through 8504), the California Unruh

Act, the Equal Pay Act, the California Family Rights Act; the Families First Coronavirus Response Act and the California Healthy Workplace Healthy Family Act, claims for wrongful discharge, Workers' Compensation retaliation, infliction of mental distress or any other tortuous or contractual causes of actions, including but not limited to any claims that Employer violated or breached any personnel policies, handbooks, contracts (implied or written), or covenants of good faith and fair dealing, and any and all other relevant Federal and/or State law claims or causes of action.

It is understood and agreed that the acceptance of the consideration more fully described above is in full accord and satisfaction of any obligations, claims, and/or disputes that Employee may have with Employer. The parties hereby declare, understand, covenant, and agree that the terms of this Agreement, and the amount stated herein, are the sole consideration for this release and agreement and that the parties voluntarily accept said consideration for the purpose of making a full and final compromise, adjustment, and settlement of all claims for injuries, losses, and damages resulting, or to result, from said claims.

It is further understood and agreed that this is the full and complete understanding of the parties that it is the integrated memorial of their agreement and that there are no other written or oral understandings, agreements, covenants, promises, or arrangements, directly or indirectly connected with this release, that are not incorporated herein. The terms of this release are contractual and are not mere recitals.

10.Scope: Employee and the Employer agree that this Separation Agreement contains a full settlement and resolution of all real or imagined disputes and issues between the parties

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relating in any manner to their employment with the Employer up to and including the date this Agreement is signed by all parties. It is also understood and agreed that this Agreement is a full and final release applying to all unknown and unanticipated damages or losses to Employee resulting from or in any way related to their employment with Employer up to and including the date this Agreement is signed.

11.Exclusions: Excluded from this agreement are any claims which cannot be waived by law, including but not limited to the right to participate with or in an investigation conducted by the DFEH, EEOC, or like agency, however Employee expressly waives any right to any monetary recovery arising from such an investigation. Also released are any claims of a breach of this Agreement.

12.Mutual Understandings: This Agreement has been freely and fairly negotiated by the parties hereto and each party has been provided the opportunity to have the Agreement reviewed by legal counsel of their choice and to modify the terms hereof and, therefore, this Agreement shall be construed and interpreted without any presumption, or other rule, requiring construction or interpretation against the interest of the party causing this Agreement to be drafted. This Agreement embodies the entire understanding between the parties and supersedes all prior understandings and agreements, whether oral or written.

EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS READ AND UNDERSTANDS THE FOREGOING PROVISIONS AND THAT SUCH PROVISIONS ARE REASONABLE AND
ENFORCEABLE. EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS SIGNED THIS
AGREEMENT OF HIS OR HER OWN FREE AND VOLUNTARY ACT, AND THAT HE OR SHE ACKNOWLEDGES THIS IS AN IMPORTANT AND BINDING LEGAL CONTRACT THAT SHOULD BE REVIEWED BY HIS OR HER ATTORNEY.

There are no other representations, agreements, arrangements, or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement that are not fully expressed in this Agreement. This Agreement and the terms herein shall not be amended or modified, in any manner whatsoever, except by a writing signed by all of the parties hereto.

1. Civil Code § 1542: In consideration of the promises of Employer contained in this Agreement, Employee agrees that by signing this Agreement that they represent that they have not filed - and they give up any and all rights they may have to file - a grievance, claim, or complaint of any kind against Employer arising from their employment and this voluntary separation, except as may be necessary to enforce the terms of this Agreement, or for workers' compensation or unemployment insurance benefits, or as otherwise required by law. Employee understands expressly agrees that this Agreement extends to all claims of every nature and kind whatsoever, known or unknown, suspected or unsuspected, past or present, and waives any rights they may have under California Civil Code §1542, which provides in relevant part:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES

NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING

Oren Schauble

Tiffany Davis________________________ Chief Executive Officer

____
Printed name

THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

1. No Undue Influence: Employee warrants that they have had an opportunity to evaluate this matter fully and are not entering into this Agreement based on any opinions, statements, or recommendations of Employer.

1. Construction: This Agreement shall be construed that, wherever applicable, the use of the singular number shall include the plural number and shall be binding upon and inure to the heirs, successors, assigns, executors, administrators, or other appropriate legal representatives of the respective parties hereto. If any provision or provisions hereof shall be deemed void, invalid, unenforceable, or otherwise stricken, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or provisions and to alter the bounds thereof in order to render it valid and enforceable and the parties hereby agree to substitute a valid provision that will most closely approximate the economic/legal effect and intent of the invalid provision.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have set their hands and seals this 5__th___ day of ____________________,April 20__.22

___________________________________ ___________________________________
Employee Unrivaled Brands, Inc.

Exhibit A

Schedule of Severance Payout

Pursuant to that certain Executive Employment Agreement entered into effective as of July 27, 2021 (the "Employment Agreement"), Employee is entitled to the following Severance Benefits, which shall be paid as set forth below:

1. An amount equal to 50% of Employee's base salary, or $125,000, which shall be paid biweekly over six (6) months in accordance with the Company's normal payroll practices.
2. Employee's and Employee's dependent(s) (if applicable) health coverage premiums to be paid by the Company for a period of six (6) months.
3. Any amounts due and payable pursuant to Exhibit A of the Employment Agreement

CONSULTING AGREEMENT

CONSULTING AGREEMENT (this "Agreement") effective as of March 17__, 2022, by and between Unrivaled Brands, Inc., a Nevada corporation (the "Company"), and Calyx Projects LLC ("Consultant" and, together with the Company, the "Parties"). The Parties intending to be legally bound hereby agree as follows:

BACKGROUND

Consultant has knowledge and expertise in areas useful to the Company. The Company desires to engage Consultant to assist in providing services on behalf of the Company, and Consultant is willing to provide such services on the terms herein provided.

AGREEMENT

1. Engagement of Consultant; Term.
   a. The Company hereby agrees to engage Consultant and Consultant hereby agrees to act as a consultant to the Company in connection with the Company's business, on the terms and conditions set forth herein.
   b. The term of this Agreement (the "Term") shall begin as of the date hereof and shall continue for a period of four (4) months unless earlier terminated as provided in Section 9 of this Agreement.
2. Duties; Fees.
   a. Consultant is being retained to provide those services set forth in the Statement of Work attached as Schedule A hereto as well as such other services as may be mutually agreed upon between the Parties and set forth in a written Statement of Work referencing this Agreement (each, a "SOW") (collectively, the "Services"). Consultant will be available to provide Services to the Company as needed. Consultant will report to the Company's Chief Executive Officer. Consultant shall not represent that he is, or hold himself out as, an employee of the Company and in no event shall Consultant enter into any agreements or undertakings for or on behalf of the Company, without the Company's prior written consent. Consultant's services shall be provided only by Oren Schauble.

   a. The Company shall pay Consultant the fees set forth on Schedule B.
   b. During the Term, the Company shall reimburse Consultant for any out-of-pocket expenses incurred by Consultant in connection with the performance of the Services which have been pre-approved by the Company in writing.
3. Independent Contractor.

The Parties acknowledge and agree that Consultant is an independent contractor of the Company, and that Consultant is not, by virtue of this Agreement, an employee of the Company and shall not be entitled to any benefits provided to, or rights afforded by, the Company or its affiliates to its employees, whether by operation of law or otherwise including, without limitation, group insurance, liability insurance, disability insurance, vacation, sick leave, retirement benefits, health plans and overtime pay. The Company shall make no deductions from fees paid to Consultant for any state, federal or local taxes including, without limitation, deductions for income tax withholding and social security taxes. Consultant shall be responsible for the payment of all federal, state and local taxes, including, without limitation, deductions for income tax withholding and social security taxes, related to Consultant and shall provide the Company with suitable evidence of the same whenever requested. Consultant shall complete, sign and deliver to the Company along with this Agreement, a Form W-9 (Request for Taxpayer Identification Number and Certification).

1. Ownership of Work Product.

The term "Work Product" means any inventions, software, documentation, reports, designs, specifications, processes, formulas, know-how, designs, works of authorship, data or modifications and enhancements to software or documentation that are made, conceived, developed or reduced to practice, alone or jointly with others, by Consultant for the Company in the course of performing Services hereunder, whether or not any such items are eligible for patent, copyright, trade secret or other legal protection. Consultant shall promptly disclose to the Company all work product that is not delivered in hard copy to the Company hereunder. All Work Product, including all patent, copyright, trade secret and other intellectual property rights related thereto, will be the sole and exclusive property of the Company or its designee. The Parties intend that all Work Product shall be considered to be work-for-hire to the extent it qualifies as such under applicable law. To the extent that any Work Product is not, automatically upon creation thereof, owned by the Company as a work-for-hire or otherwise, Consultant hereby assigns and agrees to assign to the Company all of its right, title and interest in, to and under all Work Product. Consultant hereby waives any and all moral rights, including without limitation any right to identification of authorship or limitation on subsequent modification that Consultant has or may have in the Work Product, and in any other intellectual property that is or becomes the property of the Company under this Section 4. At the Company's request and expense, during and after the Term, Consultant will execute documents and give testimony and take further acts reasonably requested by the Company to assist the Company or its designee with any efforts of the Company or its designee to obtain and perfect patent, copyright, trade secret and other legal protection for the Work Product.

1. Protection of Confidential Information.
    a. In connection with the performance of Services hereunder, it is understood that the Company may disclose to Consultant, or Consultant may have access to "Confidential Information" (as hereinafter defined). As used herein, the term "Confidential Information" shall mean any and all proprietary or confidential information, whether or not developed by Consultant, including, without limitation: (i) any and all Work Product, and all derivative works, products and other results thereof; (ii) any and all technical information of the Company, including, without limitation, product data and specifications, methodologies, tools, know-how, formulae, source code, processes, inventions, research projects, and product developments; (iii) any and all know-how and business information of or relating to the Company that is not known to the general public, including, without limitation, accounting and financial information, sales and marketing information, research, investment analyses, investment strategies and techniques, information regarding customers, suppliers, personnel and shareholders of the Company; and (iv) confidential information of third parties of a nature similar to the information listed above that has been disclosed to the Company, or that has been learned by Consultant in the course of performing Services hereunder. Consultant acknowledges and agrees that the Confidential Information constitutes valuable trade secrets of the Company (and/or its customers), as the case may be.
    b. Consultant shall not disclose any Confidential Information to any third party, nor shall Consultant use any Confidential Information for any purpose other than the performance of Consultant's Services hereunder or as required by applicable law or legal process. All materials furnished to Consultant by the Company shall be considered Confidential Information, shall remain the property of the Company (or its customer), as the case may be, and shall be returned to the Company promptly upon the termination of this Agreement or at the Company's earlier request.

a. Consultant's obligations under this Section will continue for each item of Confidential Information until such time as such item of Confidential Information is or becomes publicly available other than as a result of any act or failure to act by Consultant.

2. Warranties.

a. Consultant represents and warrants that: (i) Consultant possesses the skills, experience and certifications specified in his or her CV/resume provided to the Company and is trained, experienced and qualified to perform all Services required to be performed by him hereunder, and such Services will be performed by Consultant with care, skill, and diligence, in accordance with the professional standards generally recognized by Consultant's profession; (ii) all such Services shall be performed to the Company's reasonable satisfaction in accordance with any SOWs and this Agreement; and (iii) Consultant has all rights, title, permits and licenses necessary to provide the Services and deliverables (if any) outlined in any SOW. If Consultant fails to materially meet applicable professional standards or the Services are not performed in accordance with any of the foregoing representations or warranties, as the Company's exclusive remedy, Consultant shall, without additional compensation, correct or revise any errors or deficiencies in his or her work.

b. Consultant further represents and warrants that (i) Consultant's performance of all the terms of this Agreement and Consultant's duties hereunder will not breach any invention assignment agreement, confidential information agreement, non-competition agreement or other agreement between Consultant and any other party; (ii) Consultant will not bring with him to the Company or use in the performance of Consultant's duties for the Company, any documents, materials or information of any other party that are not generally available to the public or which Consultant does not have written permission to use in the course of performing Consultant's duties as a consultant; and (iii) Consultant is a citizen of the United States or possess the legal right to work in the United States in accordance with applicable law.

3. Indemnity.

Consultant shall indemnify, defend and hold harmless, the Company, its affiliates and their respective officers, directors, employees and agents (collectively, the "Indemnified Parties") from and against any and all third party claims, loss, damage, injury, liability, cost or expense (including but not limited to reasonable attorneys' fees and court costs) relating to Consultant's gross negligence or willful misconduct. 8. Restrictive Covenants.

a. Consultant agrees that he will not, directly, or indirectly, solicit the trade of, or trade with, any customer, prospective customer, or supplier to the detriment of the Company.

a. Consultant agrees that he shall not, directly, or indirectly, solicit or induce or attempt to solicit or induce any employee of the Company to leave the Company for any reason whatsoever nor shall Consultant, directly or indirectly, attempt to hire or hire any employee of the Company.

1. Termination.

This Agreement may be terminated by either the Company or the Consultant in the event the other Party is in breach of any term of this Agreement and such breach is not cured within five (5) business days following delivery of written notice of such breach. Upon termination, Consultant shall discontinue Services as of the effective date of termination to the extent

specified in the notice. Without limiting any rights of the Company hereunder or under law, subject to Section 2 hereof, Consultant shall be entitled to payment for all Services performed in accordance with this Agreement up to the effective date of termination. The Company shall have no liability arising out of termination by the Company, other than to pay Consultant for Services performed prior to the effective date of termination of this Agreement. The Company shall be entitled to receive all Work Product completed or in progress as of the effective date of termination of this Agreement.

1. Advertising.

In connection with this Agreement, Consultant agrees to only use the Company's name in any form of publicity, or to release to the public any information relating to the Services to be performed hereunder, or to otherwise disclose or advertise that Consultant has entered into the Agreement in a manner consistent with the Company’s messaging and strategy. Consultant shall not disclose any material non-public information relating to the Company.

1. Compliance with Law and Policies.

Consultant shall perform his or her duties hereunder in accordance with all applicable federal, state and local laws, rules, regulations and codes. Consultant shall materially comply with all the Company standards, rules, procedures and policies relating to or affecting the Services provided hereunder provided the Company has provided such standards, rules, procedures and policies to Consultant in writing and Consultant has a reasonable time to comply therewith.

1. Miscellaneous.

   a. No provision of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is agreed to in writing and signed by the Company and Consultant. No waiver by either Party at any time of any breach by the other Party of, or compliance with, any provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. The rights and remedies of the Parties provided in this Agreement are cumulative and not exclusive of any rights or remedies provided under this Agreement, by law, in equity or otherwise. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either Party which are not set forth or referred to expressly in this Agreement.
   b. This Agreement may be executed in several counterparts, each of which will be deemed an original, and all of which taken together will constitute one single Agreement between the Parties with the same effect as if all the signatures were upon the same instrument. The headings of this Agreement are for convenience of reference only and are not part of the substance of this Agreement.
   c. If the scope of any provision of this Agreement is too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provision shall not thereby fail, but that the scope of such provision shall be curtailed only to the extent necessary to conform to law. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions hereof in any other jurisdiction.

   a. Consultant understands that in the event of a breach or threatened breach of this Agreement by Consultant, the Company may suffer irreparable harm and will

therefore be entitled to injunctive and other equitable relief (without posting a bond) to enforce this Agreement.

b. This Agreement shall be binding upon and inure to the benefit of the Parties, their heirs, legal representatives, successors and assigns. Consultant shall not subcontract or assign any of his or her right or obligations hereunder, without the prior written consent of the Company. Consent by the Company to any assignment or subcontract shall not be deemed to create a contractual relationship between the Company and the subcontracting party or assignee.
c. This Agreement, including the performance and enforceability hereof, will be governed by and construed in accordance with the laws of the State of California, without reference to the principles of conflicts of law.
d. In the event of termination or upon expiration of this Agreement, Sections 3 - 12 hereof will survive and continue in full force and effect.
e. Consultant agrees not to make negative comments or otherwise disparage the Company or its subsidiaries or any of their officers, directors, employees, consultants, agents or products during the term of this Agreement and for a period of one (1) year thereafter.
f. Consultant shall maintain accurate records of all amounts billable to and payments made by the Company hereunder in accordance with recognized accounting practices and the Company's reasonable requirements. The Company shall have the right to audit any and all records of Consultant relating to this Agreement and any SOW hereunder, including all documents related to Consultant's compliance with this Agreement and timesheets. Consultant agrees that such records will be available for audit by the Company or its agents during normal business hours upon reasonable notice.

[signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Consulting Agreement as of the date and year first above written.

UNRIVALED BRANDS, INC.

By: ___________________ Name:
Title:

Consultant:

____
Oren Schauble

Principal, Calyx Projects LLC

Schedule A

Services

Provide services as reasonably requested by the Company from time to time during the Term

Schedule B

Fees

910,623 shares of restricted common stock of the Company ("Common Stock") vesting in four equal installments, with the first installment vesting on the one month anniversary of the date hereof and the remaining installments vesting on each one month anniversary thereafter.

SEPARATION AGREEMENT

This Separation Agreement (this "Agreement") is entered as of April 14, 2022 (the "Effective Date") between Unrivaled Brands, Inc. ("Unrivaled" or the "Company") and Dallas Imbimbo ("Imbimbo"). Unrivaled and Imbimbo may hereafter be referred to herein, individually, from time to time as a "Party," and collectively herein from time to time as the "Parties."

RECITALS

WHEREAS, Imbimbo is a director of Unrivaled, and Unrivaled and Imbimbo are parties to that certain Independent Director Agreement, dated as of July 1, 2021 (the "Independent Director Agreement").

WHEREAS, Imbimbo is an advisor of Unrivaled, and Unrivaled and Imbimbo are parties to that certain Advisor Agreement dated September 15, 2021 (the "Advisor Agreement").

WHEREAS, Imbimbo desires to resign as a Director and Advisor of Unrivaled subject to the terms set forth herein.

NOW, THEREFORE, in consideration of the covenants, agreements, representations, and warranties contained in this Agreement, the receipt, sufficiency and adequacy of which is hereby mutually acknowledged by the Parties, and for valid and binding consideration, the Parties hereby memorialize their agreements as follows:

AGREEMENT

1. No Admission of Liability. The Parties mutually acknowledge and agree that the delivery of this Agreement and the consideration provided for in this Agreement shall not be interpreted or construed as any form of admission of liability by any Party hereto, except as otherwise expressly specified herein. The Parties expressly deny all liability to one another except as expressly provided for in this Agreement, which shall govern their separation and any relationship among them going forward from the Effective Date.
2. Consideration. The consideration exchanged by and between the Parties in connection with this Agreement includes the following:
    a. Stock Issuance. On the date hereof, one hundred percent (100%) of the restricted common stock issued pursuant the Advisor Agreement (the "Shares") shall immediately vest.
    b. Options. On the date hereof, one hundred percent (100%) of the options to purchase shares of the Company's common stock issued pursuant to the Independent Director Agreement (the "Option Shares") shall immediately vest and be exercisable. Such options shall be exerciseable for a period of three (3) years, commencing upon the Effective Date.
    c. Cash Compensation. On the date hereof, the Company shall pay Imbimbo the sum of Eighty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty Cents. ($83,333.30).
3. Mutual Releases.

a. Subject to the terms of this Agreement, except as expressly set forth herein, and in exchange for and as a part of the consideration set forth in herein, Imbimbo individually and on behalf of his heirs, executors and administrators hereby fully releases and discharges Unrivaled and its agents, owners, officers, directors, partners, shareholders, employees, subsidiaries, affiliates, successors-in-interest, assigns, representatives, lawyers, counselors, advisors and/or agents, individually and collectively, of and from any and all conceivable known or unknown past, present, or future liabilities, debts, claims, demands for damages, costs, indemnification (except as otherwise provided herein), contribution, or any other thing, of any kind or nature whatsoever (the "Imbimbo Released Claims"), for which Imbimbo has or may have any conceivable known or

unknown cause of action, claim, or demand for damages, costs, indemnification (except as otherwise provided herein), or a contribution, whether certain or speculative, fully or partially accrued, inchoate, springing, contingent, questioned or doubtful, which they may have or have had at any time prior hereto, come into existence or which may be brought in the future in connection with any acts or omissions whether known or unknown which have occurred at any time prior to the Effective Date of this Agreement including under the Independent Director Agreement, any claim by Imbimbo for fraud, breach of contract, or wrongful termination by Unrivaled, or any claim for harassment or discrimination, discharge in violation of public policy and/or violation of any state and federal laws, including without limitation, the Age Discrimination In Employment Act as amended, the Older Workers Benefits Protection Act, the Fair Employment And Housing Act, the Americans With Disabilities Act, Title VII Of The Civil Rights Act Of 1964, as amended, the Fair Labor Standards Acts, as amended, the National Labor Relations Act, as amended, the Labor - Management Relations Act, as amended, the Worker Adjustment And Retraining Notification Act Of 1988, as amended, the Rehabilitation Act Of 1973, as amended, the Equal Pay Act, the Pregnancy Discrimination Act, the Employee Retirement Income Security Act Of 1974, as amended, the Family Medical Leave Act Of 1993, the California Family Rights Act, as amended and the California Labor Code. Notwithstanding this Section 2.c.i to the contrary, the Imbimbo Released Claims shall not include any claims that cannot be released as a matter of law, or claims, demands, actions, charges, or complaints arising from Imbimbo's rights (A) as a shareholder of Unrivaled or any of its parents, subsidiaries, affiliates, predecessors, successors, or assigns, or (B)under that certain Director Indemnification Agreement dated December 16, 2020, by and between Unrivaled and Imbimbo as well as any indemnification rights contained in the corporate by-laws or governing documents of Unrivaled or any of its parents, subsidiaries, affilliates, predecessors, successors, or assigns (collectively, the "Indemnification Agreements"), other than for claims which are not indemnifiable, which shall survive pursuant to and in accordance with the terms of the Indemnification Agreements.

b. Subject to the terms of this Agreement, except as expressly set forth herein, and in exchange for and as a part of the consideration set forth herein, Unrivaled including its subsidiaries, parent entities, and other related entities along with any person or entity claiming by, through or under Unrivaled or its related entities, including without limitation any of its agents, owners, officers, directors, partners, shareholders, employees, subsidiaries, affiliates, successors-in-interest, assigns, representatives, lawyers, counselors, advisors and agents, individually and collectively, hereby fully release and discharge Imbimbo individually and his heirs, executors and/or administrators, representatives, lawyers, counselors, advisors, agents, and any entity in which Imbimbo has ownership in or controls of and from any and all conceivable known or unknown past, present, or future liabilities, debts, claims, demands for damages, costs, indemnification (except as otherwise provided herein), contribution, or any other thing, of any kind or nature whatsoever, for which Unrivaled has or may have any conceivable known or unknown cause of action, claim, or demand for damages, costs, indemnification (except as otherwise provided herein), or any contribution, whether certain or speculative, fully or partially accrued, inchoate, springing, contingent, questioned or doubtful, which Unrivaled may have or has had at any time prior hereto, come into existence or which may be brought in the future in connection with any acts or omissions whether known or unknown which have occurred at any time prior to the Effective Date of this Agreement,

including under the Independent Director Agreement, the Advisor Agreement, or in connection with any job duties or functions for or obligations of any type to Unrivaled.

c. The parties acknowledge the existence of and, with respect to the releases hereinabove, expressly waive and relinquish any and all rights and benefits either has or may have under California Civil Code, Section 1542, which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

1. Prior Agreements. The Parties hereby agree that upon the issuance of the consideration set forth in Section 2 to Imbimbo, the Independent Director Agreement and the Advisor Agreement shall be terminated and of no further force or effect. Imbimbo acknowledges and affirms that, upon receipt of the consideration set forth in Section 2, he has been paid all amounts due to him through the Effective Date hereof under the Independent Director Agreement and the Advisor Agreement and any prior similar agreement between him and Unrivaled and waives any rights he may have to any additional payments under any such agreements except as set forth herein and in the Indemnification Agreements.
2. Resignation. Upon full execution of this Agreement by all Parties hereto, Imbimbo hereby resigns as a director of Unrivaled effective immediately.
3. Representations.
   a. Imbimbo acknowledges and affirms that neither he nor his heirs, executors and/or administrators, representatives, lawyers, counselors, advisors and/or agents have knowledge of any pending or threatened action, demand, suit, claim or proceeding, or any inquiry, hearing, or investigation that could lead to the institution of any action, demand, suit, claim or proceeding, whether civil, criminal, administrative, investigative, or otherwise, against Unrivaled or its agents, owners, officers, directors, partners, shareholders, employees, subsidiaries, affiliates, successors-in-interest, assigns, representatives, lawyers, counselors, advisors and/or agents that has not been disclosed to Unrivaled in writing.
   b. Unrivaled acknowledges and affirms that neither it nor its parent, subsidiary, and related entities or their current or past representatives, lawyers, counselors, employees, officers, directors, shareholders, principals, advisors, agents, or related parties have knowledge of any pending or threatened action, demand, suit, claim or proceeding, or any inquiry, hearing, or investigation that could lead to the institution of any action, demand, suit, claim or proceeding, whether civil, criminal, administrative, investigative, or otherwise, against Imbimbo or his heirs, executors, administrators or related persons or entities that has not been disclosed to Imbimbo in writing.
   c. Unrivaled represents and warrants that the Shares and the Option Shares (i) have been duly authorized and, when issued by Unrivaled and delivered to Imbimbo in accordance with this Agreement, in the case of the Shares, or the terms of the options, as modified by this Agreement, in the case of the Option Shares, will be validly issued, will be outstanding as fully paid and non-assessable shares of Common Stock of Unrivaled, and will be free from all liens, claims, charges, encumbrances and other rights and restrictions, (ii) were issued in compliance with all applicable laws, (iii) are freely tradable securities without restriction on transfer under securities laws or otherwise, and (iv) duly approved by the board of

directors of Unrivaled for purposes of Rule 16b-3(d)(1) under the Securities Exchange Act of 1934, as amended.

d. Each Party further warrants and represents to the other Party that:

a. Each has had the opportunity to consult and discuss fully with counsel of their choosing this Agreement including the meaning and effect of the above waivers and releases, are aware that either may hereafter discover facts different from or in addition to those which either now knows or believes to be true with respect to the matters released above, and agree that the releases so given shall be and remain in effect as a full and complete release of the respective claims and other matters, notwithstanding any such different or additional facts;

a. that each has full and complete authority and capacity to enter into this Agreement including on behalf of all entities and persons affected by this Agreement and the releases, waivers, and other matters contained herein; and

b. that each has had the opportunity to and has actively participated in the drafting and construction of his Agreement, and the provisions of this Agreement shall not be construed against or in favor of any Party hereto.

i. All warranties and representations shall survive the execution and implementation of this Agreement.

c. No Assignment. The Parties warrant and represent that neither they, nor anyone on their behalf, previously assigned or transferred or purported to assign or transfer, or will in the future assign or transfer or purport to assign or transfer, to any person or entity not a party to this Agreement any claims released by this Agreement.

d. Confidentiality. Except as otherwise required by applicable law, rule or regulation, the content of this Agreement, and of the Parties' discussions and negotiations pertaining to it, are confidential, meaning that the Parties will not disclose or knowingly allow to be disclosed any information concerning this Agreement and its performance to anyone, except that the Agreement and any details relating hereto may be disclosed by the Parties to their respective attorneys, spouses, accountants, and, as required, to governmental authorities for legally valid purposes. Further, to the extent required by applicable law, rule or regulation, this Agreement or portions hereof may be included as an attachment to or portion of any required public filing by Unrivaled, and/or may be referenced in any relevant public filings by its title, date and party and signatory names.

e. Non-Disparagement. The Parties agree that no Party shall disparage another to clients, customers or other third parties, or otherwise make statements or take actions that would place the other Party in a negative light, which includes refraining from defaming, libeling, disparaging or otherwise making statements which would place any Party in a negative light, without limitation, in any public forum including newspaper, magazine, periodical, book, television broadcast, motion picture, videotape, film, play, interview, weblog, chat rooms, e-mails or other medium associated with the world wide web and/or internet or any other means of public expression, and to any person or entity (whether done anonymously or not), and that the remedy for any alleged violation of this provision shall be an application for injunctive relief in a court of competent jurisdiction, with respect to which the Parties agree to waive any and all bonding requirements that might otherwise apply. Unrivaled agrees that it shall provide Imbimbo with a copy of any proposed written statement involving Imbimbo or this Agreement three business days prior to its publication and will: (i) provide an opportunity for Imbimbo and his counsel to comment on such statement; and (ii) accept any reasonable revisions. Nothing in this

Agreement prevents Imbimbo from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Imbimbo has reason to believe is unlawful.

f. Miscellaneous Provisions.

i. This Agreement is the entire agreement of the Parties relating to the subject matters addressed herein, meaning that any prior understandings, representations or statements, oral, written or implied, concerning such subject matters are expressly superseded, eliminated and replaced by this Agreement such that this Agreement embodies the full and final understandings and obligations of the Parties with respect to each other going forward from the Effective Date.

ii. This Agreement shall be governed by and construed according to California law. The Parties agree that any claim or dispute arising from this Agreement must be resolved by the federal or state courts located in Orange County, California, and no other.

iii. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, in whole or in part, the remainder shall remain in effect and the stricken provision (or portion thereof) shall be replaced, to the extent possible, with an enforceable provision as similar in tenor as legally permissible.

iv. This Agreement can only be amended in a writing signed by all of the Parties hereto, or by the successors to such Parties, and which expressly identifies itself as an amendment to or modification of this Agreement.

v. This Agreement shall inure to the benefit of and be binding on the heirs, executors, administrators, legal successors and assigns of the Parties hereto.

vi. This Agreement, together with any exhibits, attachments, and/or schedules hereto, may be signed in counterparts with signatures compiled using the signature pages hereof, and delivered by email to the other Parties, and each such signed and transmitted Agreement which includes all specified signatures shall be deemed an original instrument and shall each constitute a true and complete copy of the entire Agreement.

vii. Each party shall bear its/his own costs with respect to the drafting, negotiation and execution of this Agreement.

viii. In any action or proceeding arising from or related to this Agreement, the prevailing party shall be entitled to apply for an award of reasonable attorneys' fees and costs in any such action.

ix. This Agreement is the result of negotiations between the Parties. Any ambiguity shall not be construed against either side on the basis of such side having drafted, prepared, suggested or reviewed the language of any provision.

x. The Parties acknowledge they have read and understood this Agreement, in its entirety, and voluntarily enter this Agreement of their own free will, without duress or undue influence by any non-party or party to this Agreement.

xi. Subject to the terms and conditions of this Agreement, each of the Parties shall use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable, under applicable law or otherwise, to fulfill its obligations under this Agreement and to consummate the transactions contemplated hereby.

xii. Notices: Notices required or permitted under this Agreement shall be sent by the party issuing the notice as follows, and shall be deemed received by the recipient upon actual receipt:

1. If to Imbimbo:
   By Certified U.S. Mail, recognized national overnight delivery service, or hand delivery to:
   Dallas Imbimbo
   17595 Harvard Avenue C552
   Irvine, CA 92614
   With a courtesy, non-notice copy by email to: drimbimbo@gmail.com
1. If to Unrivaled:
   By Certified U.S. Mail, recognized national overnight delivery service, or hand delivery to:
   Unrivaled Brands, Inc. 3242 S. Halladay St. Ste. 202 Santa Ana, CA 92715 Attn: CEO

   With a courtesy, non-notice copy by email to: Erika Rasch, CLO (erika@unrivaledbrands.com)

[signature page follows]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

UNRIVALED BRANDS, INC.

By: ____________________________

Name: Tiffany Davis

Title: Chief Executive Officer

____________________________ Dallas Imbimbo

UNRIVALED BRANDS, INC.
3242 S. Halladay Street Santa Ana, CA 92705

April 11, 2022 (the "Effective Date")
People's California, LLC
Attn: Bernard Steimann
22 Executive Park, Suite 250
Irvine, CA 92614

Re: (1) Membership Interest Purchase Agreement, dated August 15, 2021, between Unrivaled Brands, Inc. ("Purchaser"), People's California, LLC ("Owner"), and People's First Choice, LLC (the "PFC") (the "Primary MIPA"), (2) Membership Interest Purchase Agreement, dated November 22, 2021, between Purchaser, People's Riverside, LLC ("People's Riverside"), People's Los Angeles, LLC ("People's LA"), People's Costa Mesa, LLC ("People's CM") and Owner ("Secondary MIPA"), and (3) Secured Promissory Note, dated November 22, 2021, given by Purchaser to Owner ("Note"). Purchaser, Owner, PFC, People's Riverside, People's LA, and People's CM shall collectively be referred to herein as the "Parties" or individually as a "Party."

Mr. Steimann:

Prior hereto, Owner, Purchaser and PFC entered into the Primary MIPA as well as several ancillary agreements, including, but not limited to, the Secondary MIPA and the Note. The Primary MIPA, the Secondary MIPA, the Note, and all other ancillary agreements referred to therein shall be collectively referred to herein as the "Closing Documents". Capitalized terms used herein but not otherwise defined shall have the meanings given them in the Closing Documents.

In recognition that Purchaser has failed to make certain payments due under the Note, Owner and Purchaser are entering into this first letter agreement (this "Agreement"). If Purchaser meets its obligations under Paragraph 1.a. of this Agreement, then the Parties agree that Purchaser will have cured the Notice of Default dated March 22, 2022. For purposes of clarity only, the payments provided for in Paragraph 1 of this Agreement shall be in satisfaction of all payments due under the Note on March 22, 2022, April 22, 2022, May 22, 2022 and June 22, 2022.
NOW, THEREFORE, the Parties agree as follows:

1. **Payments**.
    a. Purchaser shall pay Owner Three Million Dollars ($3,000,000) within three (3) business days after the earlier of (i) the date that Purchaser receives any payment in connection with the sale of NuLeaf Sparks Cultivation LLC and NuLeaf Reno Production LLC, or (ii) April 15, 2022.
    b. Purchaser shall pay Owner Five Million Dollars ($5,000,000) on June 1, 2022; provided, however, that such payment due date shall be extended to June 30, 2022, if Purchaser has entered into a term sheet procured by Purchaser's financial advisor ("Advisor") and mutually agreed upon by Owner and Purchaser, which agreement shall not be unreasonably withheld, for a debt facility of Fifteen Million Dollars ($15,000,000) or greater with an institutional investor or family office (the "Debt Facility").

2. **Lock Up**. Owner shall no longer be subject to the requirements of Section 3 (Lock-Up Agreement) of the Stockholder Rights Agreement entered into in connection with the Primary MIPA. For avoidance of doubt, the remaining provisions of the Stockholder Rights Agreement, as well as any restrictions on transfer required by law, including without limitation Rule 144 under the Securities Act of 1933, as amended, shall continue in full force and effect.
3. **Waiver of Claims and Defenses.** If Purchaser fails to satisfy its obligations set forth in Paragraph 1 of this Agreement, then Owner shall continue to have its rights under the Note as to the past defaults and Purchaser shall waive all claims and defenses related to its liability under (i) the Note; (ii) the Security Agreement, dated November 22, 2021, between Purchaser and Owner (the "Security Agreement"); and (iii) the Guaranty and Security Agreement, dated November 22, 2021, between Owner and the "Guarantors" as that term is defined therein (the "G&S Agreement").
4. **Condition of Retail Assets Balance Sheets**. Purchaser has provided Owner the balance sheet for PFC, attached hereto as Exhibit A, which demonstrates that the entity is not being unduly burdened with intercompany expenses. Owner's rights and remedies protecting it from impairment of the Collateral securing the Note remain unchanged and remain in full force and effect. Purchaser agrees that should Owner be forced to execute on the Collateral, the Collateral will be returned to Owner in substantially the same financial condition as reflected in Exhibit A attached hereto.
5. **Directors**. Purchaser shall use reasonable efforts and all take all necessary action so that for the period from the Effective Date and until such time as Purchaser has satisfied all obligations arising under the Note, the board of directors of Purchaser shall be comprised of five (5) members, with two (2) members designated by Owner; provided, that, any board members designated by Owner shall be subject to approval by the remaining board members of Purchaser. Owner requires that the two resigning board members be Francis Knuettel II and Dallas Imbimbo.
6. **Subordination of Note**. Following receipt of the amounts set forth in Paragraph 1 above, Owner shall agree to subordinate the Note to the Debt Facility as well as take any other actions reasonably necessary to facilitate the issuance of such debt. The terms and conditions of the subordination shall be commercially reasonable as determined between Advisor and Owner.
7. **Conversion of Note**. Following the issuance of the Debt Facility, Owner will negotiate in good faith with Purchaser to convert, in Owner's sole discretion, none, a portion, or all, of the remaining interest and principal of the Note to stock in Purchaser. Any outstanding amounts due under the Note shall remain secured and guaranteed by the Security Agreement and the G&S Agreement, subject to the Note subordination above, until and unless converted.
8. **Notices**. For notice purposes, the notice address for the Parties shall be as specified in the Closing Documents.
9. **Governing Law**. This Agreement shall be governed by the laws of the State of California, its rules of conflict of laws notwithstanding. The Parties agree and consent to the exclusive jurisdiction of the Federal and state courts located in Orange County, California, and any appellate court therefrom, in any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby.
10. **Miscellaneous**. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns. This Agreement may be executed in

multiple counterparts, all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each Party delivered to the other Party, it being understood that the Parties need not sign the same counterpart. Copies of this Agreement with signatures transmitted electronically (e.g., pdf) will be deemed to be original signed versions of this Agreement. Should any dispute arise regarding the terms and conditions of this Agreement, the prevailing Party shall be entitled to recover attorneys' fees and costs reasonably incurred in connection with such dispute. The prevailing Party shall be the party who the court/arbitrator determines has prevailed on the significant issues in the litigation with a focus on the result obtained.

This Agreement, together with the Closing Documents, embodies the entire agreement between the Parties and supersedes all prior agreements and understandings relating to the matters contained herein. This Agreement may be amended or supplemented only by an instrument in writing executed by the Party against whom enforcement is sought.

Please execute this Agreement where indicated below to signify your acceptance and agreement to the terms and provisions hereof.

Sincerely,

UNRIVALED BRANDS, INC.,
a Nevada corporation

By: ________________________________
Name: Tiffany Davis
Title: Chief Executive Officer

Received, Accepted and Agreed to as of the Effective Date
PEOPLE'S CALIFORNIA, LLC,
a California limited liability company

By:
Name: Bernard Steimann
Title: Managing Member

UNRIVALED BRANDS, INC.
3242 S. Halladay Street Santa Ana, CA 92705

April 8, 2022 (the "Effective Date")
People's California, LLC
Attn: Bernard Steimann
22 Executive Park, Suite 250
Irvine, CA 92614

Re: Equipment Finance Agreement between SLC4, LLC and New Patriot Holdings, Inc. executed on or about September 5, 2020 (the "SLC4, LLC Note").

Mr. Steimann:

In recognition that Unrivaled Brands, Inc. ("Purchaser") has failed to make certain payments due under the SLC4, LLC Note, People's California, LLC ("Owner"), New Patriot Holdings, Inc. ("New Patriot") and Purchaser are entering into this second letter agreement (this "Agreement"). If Purchaser meets its obligations under this Agreement then the Parties agree that Purchaser will have cured the Notice of Breach and Demand to Cure relating to the SLC4, LLC debt obligation dated April 1, 2022. Capitalized terms used herein but not otherwise defined shall have the meanings given them in the Membership Interest Purchase Agreement, dated August 15, 2021, between Purchaser, Owner, and People's First Choice, LLC. Purchaser, Owner, and New Patriot shall collectively be referred to herein as the "Parties" or individually as a "Party."
NOW, THEREFORE, the Parties agree as follows:

1. **Stark Note Assumption**.
    a. Beginning April 1, 2022, Purchaser shall no longer be responsible for any obligations to SLC4, LLC in connection with the SLC4, LLC Note, and Purchaser shall instead assume all financial responsibility, obligations and liability related to: (i) that certain promissory note made by People's LA and held by Christopher Stark dated June 2, 2020 (the "Stark Note"); and (ii) the litigation entitled *Holistic Supplements, LLC, and Jamie Kersey v. Christopher Stark et al.*, Case No. BC599796 which shall include the management of the litigation (the "Stark Litigation"). Owner agrees to cooperate in the Stark Litigation to the extent such cooperation is reasonably requested by Purchaser. Owner agrees that all payment obligations related to the Stark Note shall be paid current by Owner as of April 1, 2022.
    b. Beginning April 1, 2022, New Patriot shall resume full responsibility for all obligations under the SLC4, LLC Note. Purchaser agrees that all payment obligations related to the SLC4, LLC Note shall be paid current by Purchaser as of April 1, 2022.
    c. In connection with Purchaser's assumption of the Stark Note and the Stark Litigation, Purchaser shall deem the Stark Note Holdback and the Stark Litigation Holdback Amount to be released as provided for in Section 2.05(a) and (b) of the Secondary MIPA. In addition, the Stark Litigation Holdback Amount in the Secondary MIPA shall be reduced to One Million Dollars ($1,000,000). Purchaser acknowledges that any obligation by Owner related to the Stark Litigation is

satisfied by Purchaser's possession of the $1,000,000 Stark Litigation Holdback in the form of the purchase price for People's LA.

2. **Notices**. For notice purposes, the notice address for the Parties shall be as specified in the Closing Documents.
3. **Governing Law**. This Agreement shall be governed by the laws of the State of California, its rules of conflict of laws notwithstanding. The Parties agree and consent to the exclusive jurisdiction of the Federal and state courts located in Orange County, California, and any appellate court therefrom, in any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby.
4. **Miscellaneous**. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns. This Agreement may be executed in multiple counterparts, all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each Party delivered to the other Party, it being understood that the Parties need not sign the same counterpart. Copies of this Agreement with signatures transmitted electronically (e.g., pdf) will be deemed to be original signed versions of this Agreement. Should any dispute arise regarding the terms and conditions of this Agreement, the prevailing Party shall be entitled to recover attorneys' fees and costs reasonably incurred in connection with such dispute. The prevailing Party shall be the party who the court/arbitrator determines has prevailed on the significant issues in the litigation with a focus on the result obtained.

This Agreement, together with the Closing Documents, embodies the entire agreement between the Parties and supersedes all prior agreements and understandings relating to the matters contained herein. This Agreement may be amended or supplemented only by an instrument in writing executed by the Party against whom enforcement is sought.

Please execute this Agreement where indicated below to signify your acceptance and agreement to the terms and provisions hereof.

Sincerely,
UNRIVALED BRANDS, INC.,
a Nevada corporation

By: ______________________________
Name: Tiffany Davis
Title: Chief Executive Officer

Received, Accepted and Agreed to as of the Effective Date

PEOPLE'S CALIFORNIA, LLC,
a California limited liability company

By:
Name: Bernard Steimann
Title: Managing Member

New Patriot Holdings, Inc.,

a California corporation

By:
Name:
Title:

STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

(NonResiden al) Dated: December 7, 2021

1. **Buyer.**

   a. FRO III/SMA ACQUISITIONS, LLC, a Delaware limited liability company , ("**Buyer**") hereby offers to purchase the real property, hereina er described, from the owner thereof ("**Seller**") (collec vely, the "**ParƟes**" or individually, a "**Party**"), through an escrow ("**Escrow**") to close ~~30 or~~ 2 business days following the expiration of Contin~~g~~ency Period. Buyer's Con ngencies, ("**Expected Closing Date**") to be held by Chicago Title Company ("**Escrow Holder**") whose address is 725 South Figueroa Street, Suite 200, Los Angeles, CA 90017 , Phone No. (213)488-4358 , ~~Facsimile No.~~ mike.slinger@ctt.com upon the terms and condi ons set forth in this agreement ("**Agreement**"). Buyer shall have the right to assign Buyer's rights hereunder, but any such assignment shall not relieve Buyer of Buyer's obliga ons herein unless Seller expressly releases Buyer.

   a. The term "**Date of Agreement**" as used herein shall be the date when by execu on and delivery (as defined in paragraph 20.2) of this document or a subsequent counteroffer thereto, Buyer and Seller have reached agreement in wri ng whereby Seller agrees to sell, and Buyer agrees to purchase, the Property upon ~~terms accepted by both Par es.~~ a fully executed copy of this Agreement has been deliveredto Escrow Holder.

2. **Property.**

   a. The real property ("**Property**") that is the subject of this offer consists of (insert a brief physical descrip on) that certain property, together with all of Seller's right, title, and interest in and to all improvements and fixtures is located in the County of Orange , is commonly known as (street address, city, state, zip) 620 East Dyer Road, Santa Ana, California and is legally described as: to be provided by Title Company (APN: to be provided by Title Company).

   a. If the legal descrip on of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal descrip on shall be completed or corrected to meet the requirements of Chicago Title Attn: Mike Slinger ("**Title Company**"), which shall issue the tle policy hereina er described.

   b. The Property includes, at no addi onal cost to Buyer, the permanent improvements thereon, including those items which pursuant to applicable law are a part of the property, as well as the following items, if any, owned by Seller and at present located on the Property: electrical distribu on systems (power panel, bus duc ng, conduits, disconnects, ligh ng fixtures); telephone distribu on systems (lines, jacks and connec ons only); space heaters; hea ng, ven la ng, air condi oning equipment ("**HVAC**"); air lines; fire sprinkler systems; security and fire detec on systems; carpets; window coverings; wall coverings; and NONE (collec vely, the "**Improvements**").

   c. The fire sprinkler monitor: is owned by Seller and included in the Purchase Price, is leased by Seller, and Buyer will need to nego ate a new lease with the fire monitoring company, ownership will be determined during Escrow, or there is no fire sprinkler monitor.

   d. Except as provided in Paragraph 2.3, the Purchase Price does not include Seller's personal property, furniture and furnishings, and None all of which shall be removed by Seller prior to Closing.

3. **Purchase Price.**

   a. The purchase price ("**Purchase Price**") to be paid by Buyer to Seller for the Property shall be $13,400,000.00 , payable as follows:

   (Strike any not applicable) (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if an all cash transac on, the Purchase Price): $13,400,000.00

      i. Amount of "New Loan" as defined in paragraph 5.1, if any:

      ii. Buyer shall take tle to the Property subject to and/or assume the following exis ng deed(s) of trust ("**ExisƟng Deed(s) of Trust**") securing the exis ng promissory note(s) ("**ExisƟng Note(s)**"):

         1. An Exis ng Note ("**First Note**") with an unpaid principal balance as of the Closing of approximately:

   Said First Note is payable at per month, including interest at the rate of % per annum un l paid (and/or the en re unpaid balance is due on).

1. An Exis ng Note ("**Second Note**") with an unpaid principal balance as of the Closing of approximately:

Said Second Note is payable at per month, including interest at the rate of % per annum un l paid (and/or the en re unpaid balance is due on).

i. Buyer shall give Seller a deed of trust ("**Purchase Money Deed of Trust**") on the property, to secure the promissory note of Buyer to Seller described in paragraph 6 ("**Purchase Money Note**") in the amount of:

Total Purchase Price: $13,400,000.00

a. If Buyer is taking tle to the Property subject to, or assuming, an Exis ng Deed of Trust and such deed of trust permits the beneficiary to demand payment of fees including, but not limited to, points, processing fees, and appraisal fees as a condi on to the transfer of the Property, Buyer agrees to pay such fees up to a maximum of 1.5% of the unpaid principal balance of the applicable Exis ng Note.

4. **Deposits.**

a. Buyer has delivered to Broker a check in the sum of , payable to Escrow Holder, to be delivered by Broker to Escrow Holder within 2 or business days a er both Par es have executed this Agreement and the executed Agreement has been delivered to Escrow Holder, or within 2 or

5 business days a er both Par es have executed this Agreement and the executed Agreement has been delivered to Escrow Holder Buyer shall deliver to

Escrow Holderme period then Seller may elect to unilaterally terminate this transacvia wire transfer ~~a check~~ in the sum of $500,000.00on by giving wri . If saiden no ce of such elec~~check~~ funds aron to Escrow Holder whereupon neither Party shalle ~~is~~ not received by Escrow Holder within said have any further liability to the other under this Agreement. Should Buyer and Seller not enter into an agreement for purchase and sale, Buyer's check or funds shall, upon request by Buyer, be promptly returned to Buyer.

4.2 Addi onal deposits:

i. Within 5 business days a er the Date of Agreement, Buyer shall deposit with Escrow Holder the addi onal sum of to be applied to the Purchase Price at the Closing.

i. Within 5 business days a er the con ngencies discussed in paragraph 9.1 (a) through (m) are approved or waived, Buyer shall deposit via wire transfer(c)with Escrow Holder the addiIf an Addi onal Deposit is noonal sum oft received by Escro$300,000w Holder withito be applied to the Purchase Price at the Closing.n the me period provided then Seller may no fy Buyer, Escrow Holder, and Brokers, in wri ng that, unless the Addi onal Deposit is received by Escrow Holder within 2 business days following said no ce, the Escrow shall be deemed terminated without further no ce or instruc ons.

4.3 Escrow Holder shall deposit the funds deposited with it by Buyer pursuant to paragraphs 4.1 and 4.2 (collec vely the "**Deposit**"), in a State or Federally chartered bank in an interest bearing account whose term is appropriate and consistent with the ming requirements of this transac on. The interest therefrom shall accrue to the benefit of Buyer, who hereby acknowledges that there may be penal es or interest forfeitures if the applicable instrument is redeemed prior to its specified maturity. Buyer's Federal Tax Iden fica on Number is shall be provided separately to Title Company . NOTE: Such interest bearing account cannot be opened un l Buyer's Federal Tax Iden fica on Number is provided.

4.4 Notwithstanding the foregoing, within 5 days a er Escrow Holder receives the monies described in paragraph 4.1 above, Escrow Holder shall release $100 of said monies to Seller as and for independent considera on for Seller's' execu on of this Agreement and the gran ng of the con ngency period to Buyer as herein provided. Such independent considera on is nonrefundable to Buyer but shall be credited to the Purchase Price in the event that the purchase of the Property is completed.

4.5 Upon waiver of all of Buyer's con ngencies the Deposit shall become nonrefundable but applicable to the Purchase Price except in the event of a Seller breach, or in the event that the Escrow is terminated pursuant to the provisions of Paragraph 9.1(n) (Destruc on, Damage or Loss) or 9.1(o) (Material Change), or this Agreement otherwise expresslyprovides for the Deposit to be refunded to Buyer.

1. **Financing ConƟngency.** *(Strike if not applicable)*

a. This offer is con ngent upon Buyer obtaining from an insurance company, financial ins tu on or other lender, a commitment to lend to Buyer a sum equal to at least % of the Purchase Price, on terms acceptable to Buyer. Such loan ("**New Loan**") shall be secured by a first deed of trust or mortgage on the Property. If this Agreement provides for Seller to carry back junior financing, then Seller shall have the right to approve the terms of the New Loan. Seller shall have 7 days following receipt of the commitment se ng forth the proposed terms of the New Loan to approve or disapprove of such proposed terms. If Seller fails to no fy Escrow Holder, in wri ng, of the disapproval within said 7 days it shall be conclusively presumed that Seller has approved the terms of the New Loan.

b. **If Buyer shall fail to noΘfy its Broker, Escrow Holder and Seller, in wriΘng within days following the Date of Agreement, that the New Loan has not been obtained, it shall be conclusively presumed that Buyer has either obtained said New Loan or has waived this New Loan conΘngency.**

c. If Buyer shall no fy its Broker, Escrow Holder and Seller, in wri ng, within the me specified in paragraph 5.2 hereof, that Buyer has not obtained said New Loan, this Agreement shall be terminated, and Buyer shall be en tled to the prompt return of the Deposit, plus any interest earned thereon, less only Escrow Holder and Title Company cancella on fees and costs, which Buyer shall pay.

2. **Seller Financing.** (Purchase Money Note). *(Strike if not applicable)*

a. If Seller approves Buyer's financials (see paragraph 6.5) the Purchase Money Note shall provide for interest on unpaid principal at the rate of
% per annum, with principal and interest paid as follows: . The Purchase Money Note and Purchase Money Deed of Trust shall be on the current forms commonly used by Escrow Holder, and be junior and subordinate only to the Exis ng Note(s) and/or the New Loan expressly called for by this Agreement.

a. The Purchase Money Note and/or the Purchase Money Deed of Trust shall contain provisions regarding the following (see also paragraph 10.3 (b)): (a) *Prepayment.* Principal may be prepaid in whole or in part at any me without penalty, at the op on of the Buyer.

i. *Late Charge.* A late charge of 6% shall be payable with respect to any payment of principal, interest, or other charges, not made within 10 days a er
it is due.

i. *Due On Sale.* In the event the Buyer sells or transfers tle to the Property or any por on thereof, then the Seller may, at Seller's op on, require the
en re unpaid balance of said Note to be paid in full.

a. If the Purchase Money Deed of Trust is to be subordinate to other financing, Escrow Holder shall, at Buyer's expense prepare and record on Seller's behalf a request for no ce of default and/or sale with regard to each mortgage or deed of trust to which it will be subordinate.

b. **WARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGEMENTS ON SELLER FINANCING. IF BUYER ULTIMATELY DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE PROPERTY.**

c. Seller's obliga on to provide financing is con ngent upon Seller's reasonable approval of Buyer's financial condi on. Buyer to provide a current financial statement and copies of its Federal tax returns for the last 3 years to Seller within 10 days following the Date of Agreement. Seller has 10 days following receipt of such documenta on to sa sfy itself with regard to Buyer's financial condi on and to no fy Escrow Holder as to whether or not Buyer's financial condi on is acceptable. If Seller fails to no fy Escrow Holder, in wri ng, of the disapproval of this con ngency within said me period, it shall be conclusively presumed that Seller has approved Buyer's financial condi on. If Seller is not sa sfied with Buyer's financial condi on or if Buyer fails to deliver the required documenta on then Seller may no fy Escrow Holder in wri ng that Seller Financing will not be available, and Buyer shall have the op on, within 10 days of the receipt of such no ce, to either terminate this transac on or to purchase the Property without Seller financing. If Buyer fails to no fy Escrow Holder within said me period of its elec on to terminate this transac on then Buyer shall be conclusively presumed to have elected to purchase the Property without Seller financing. If Buyer elects to terminate, Buyer's Deposit shall be refunded less Title Company and Escrow Holder cancella on fees and costs, all of which shall be Buyer's obliga on.

3. **Real Estate Brokers.**

a. Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Rela onship, confirms and consents to the following agency rela onships in this transac on with the following real estate broker(s) ("**Brokers**") and/or their agents ("Agent(s)"):

Seller's Brokerage Firm CBRE, Inc. License No. 00409987 is the broker of (check one): the Seller; or both the Buyer and Seller (dual agent).

Seller's Agent Ross Fippinger License No. 01450571 is (check one): the Seller's Agent (salesperson or broker associate); or both the Seller's Agent and the Buyer's Agent (dual agent).

Buyer's Brokerage Firm CBRE, Inc. License No. 00409987 is the broker of (check one): the Buyer; or both the Buyer and Seller (dual agent).

Buyer's Agent Ross Fippinger License No. 01450571 is (check one): the Buyer's Agent (salesperson or broker associate); or both the Buyer's Agent and the Seller's Agent (dual agent).

The Par es acknowledge that other than the Brokers and Agents listed above, there are no other brokers or agents represen ng the Par es or due any fees and/or commissions under this Agreement.
Buyer shall use the services of Buyer's Broker exclusively in connec on with any and all nego a ons and offers with respect to the Property for a period of 1 year from the date inserted for reference purposes at the top of page 1.

7.2 Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person, firm, broker, agent or finder in connec on with the nego a on of this Agreement and/or the consumma on of the purchase and sale contemplated herein, other than the Brokers and Agents named in paragraph 7.1, and no broker, agent or other person, firm or en ty, other than said Brokers and Agents is/are en tled to any commission or finder's fee in connec on with this transac on as the result of any dealings or acts of such Party. Buyer and Seller do

each hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs, expenses or liability for compensa on, commission or charges which may be claimed by any broker, agent, finder or other similar party, other than said named Brokers and Agents by reason of any dealings or act of the indemnifying Party.

1. **Escrow and Closing.**
    a. Upon acceptance hereof by Seller, this Agreement, including any counteroffers incorporated herein by the Par es, shall cons tute not only the agreement of purchase and sale between Buyer and Seller, but also instruc ons to Escrow Holder for the consumma on of the Agreement through the Escrow. Escrow Holder shall not prepare any further escrow instruc ons resta ng or amending the Agreement unless specifically so instructed by the Par es or a Broker herein. Subject to the reasonable approval of the Par es, Escrow Holder may, however, include its standard general escrow provisions. In the event that there is any conflict between the provisions of the Agreement and the provisions of any addi onal escrow instruc ons the provisions of the Agreement shall prevail as to the Par es and the Escrow Holder.
    b. As soon as prac cal a er the receipt of this Agreement and any relevant counteroffers, Escrow Holder shall ascertain the Date of Agreement as defined in paragraphs 1.2 and 20.2 and advise the Par es and Brokers, in wri ng, of the date ascertained.
    c. Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and prac ce of the community in which Escrow Holder is located, including any repor ng requirements of the Internal Revenue Code. In the event of a conflict between the law of the state where the Property is located and the law of the state where the Escrow Holder is located, the law of the state where the Property is located shall prevail.
    d. Subject to sa sfac on of the con ngencies herein described, Escrow Holder shall close this escrow (the "**Closing**") by recording a general warranty deed (a grant deed in California) and the other documents required to be recorded, and by disbursing the funds and documents in accordance with this Agreement.
    e. Buyer and Seller shall each pay onehalf of the Escrow Holder's charges and Seller shall pay the usual recording fees and any required documentary transfer taxes. Seller shall pay the premium for a standard coverage owner's or joint protec on policy of tle insurance. (See also paragraph 11.)
    f. Escrow Holder shall verify that all of Buyer's con ngencies have been sa sfied or waived prior to Closing. The ma ers contained in paragraphs 9.1 subparagraphs (b), (c), (d), (e), (g), (i), (n), and (o), 9.4, 12, 13, 14, 16, 18, 20, 21, 22, and 24 are, however, ma ers of agreement between the Par es only and are not instruc ons to Escrow Holder.
    g. If this transac on is terminated for nonsa sfac on and nonwaiver of a Buyer's Con ngency, as defined in paragraph 9.2 or disapproval of any other ma er subject to Buyer's approval, then neither of the Par es shall therea er have any liability to the other under this Agreement, except to the extent of a breach of any affirma ve covenant or warranty in this Agreement. In the event of such termina on, Buyer shall, subject to the provisions of paragraph 8.10, be promptly refunded all funds deposited by Buyer with Escrow Holder, less only the $100 provided for in paragraph 4.4 and the Title Company and Escrow Holder cancella on fees and costs, all of which shall be Buyer's obliga on. If this transac on is terminated as a result of Seller's breach of this Agreement then Seller shall pay the Title Company and Escrow Holder cancella on fees and costs.
    h. The Closing shall occur on the Expected Closing Date, or as soon therea er as the Escrow is in condi on for Closing; provided, however, that if the Closing does not occur by the Expected Closing Date and said Date is not extended by mutual instruc ons of the Par es, a Party not then in default under this Agreement may no fy the other Party, Escrow Holder, and Brokers, in wri ng that, unless the Closing occurs within 5 business days following said no ce, the Escrow shall be deemed terminated without further no ce or instruc ons.
    i. Except as otherwise provided herein, the termina on of Escrow shall not relieve or release either Party from any obliga on to pay Escrow Holder's fees and costs or cons tute a waiver, release or discharge of any breach or default that has occurred in the performance of the obliga ons, agreements, covenants or warran es contained therein.
    j. If this Escrow is terminated for any reason other than Seller's breach or default, then as a condi on to the return of Buyer's deposit, Buyer shall within 5 days a er wri en request deliver to Seller, at no charge, copies of all surveys, engineering studies, soil reports, maps, master plans, feasibility studies and other similar items prepared by or for Buyer that pertain to the Property.
2. **ConƟngencies to Closing.** See Addendum.
    a. The Closing of this transac on is con ngent upon the sa sfac on or waiver of the following con ngencies. **IF BUYER FAILS TO NOTIFY ESCROW HOLDER,**

IN WRITING, OF THE DISAPPROVAL OF ANY OF SAID CONTINGENCIES WITHIN THE TIME SPECIFIED THEREIN, IT SHALL BE CONCLUSIVELY PRESUMED THAT BUYER HAS APPROVED SUCH ITEM, MATTER OR DOCUMENT. Buyer's condi onal approval shall cons tute disapproval, unless provision is made by the Seller within the me specified therefore by the Buyer in such condi onal approval or by this Agreement, whichever is later, for the sa sfac on of the condi on imposed by the Buyer. Escrow Holder shall promptly provide all Par es with copies of any wri en disapproval or condi onal approval which it receives. With regard to subparagraphs (a) through (m) the preprinted me periods shall control unless a different number of days is inserted in the spaces provided.

i. *Disclosure*. Seller shall make to Buyer, through Escrow, all of the applicable disclosures required by law (See AIR CRE ("**AIR**") standard form en tled "**Seller's Mandatory Disclosure Statement**") and provide Buyer with a completed Property Informa on Sheet ("**Property InformaƟon Sheet**") concerning the Property, duly executed by or on behalf of Seller in the current form or equivalent to that published by the AIR within 10 or 3 days following the Date of Agreement. . Buyer has 10 days from the receipt of said disclosures until the expiration of the Contingency Period t(as defined in the Addendum) to approve or disapprove the ma ers disclosed.

ii. *Physical InspecƟon*. Buyer has 10 or days following the receipt of the Property Informa on Sheet or the Date of Agreement, whichever is later, until the expiration of the Contingency Period to sa sfy itself with regard to the physical aspects and size of the Property.

iii. *Hazardous Substance CondiƟons Report*. Buyer has 30 or days following the receipt of the Property Informa on Sheet or the Date of Agreement, whichever is later, until the expiration of the Contingency Period to sa sfy itself with regard to the environmental aspects of the Property. Seller recommends that Buyer obtain a Hazardous Substance Condi ons Report concerning the Property and relevant adjoining proper es. Any such report shall be paid for by Buyer. A "**Hazardous Substance**" for purposes of this Agreement is defined as any substance whose nature and/or quan ty of existence, use, manufacture, disposal or effect, render it subject to Federal, state or local regula on, inves ga on, remedia on or removal as poten ally injurious to public health or welfare. A "**Hazardous Substance CondiƟon**" for purposes of this Agreement is defined as the existence on, under or relevantly adjacent to the Property of a Hazardous Substance that would require remedia on and/or removal under applicable Federal, state or local law.

i. *Soil InspecƟon*. Buyer has 30 or days following the receipt of the Property Informa on Sheet or the Date of Agreement, whichever is later until the expiration ofthe Contingency Period, to sa sfy itself with regard to the condi on of the soils on the Property. Seller recommends that Buyer obtain a soil test report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any soils report that Seller may have within 10 days following the Date of Agreement.

ii. *Governmental Approvals*. Buyer has 30 or days following the Date of Agreement until the expiration of the Contingency Period to sa sfy itself with regard to approvals and permits from governmental agencies or departments which have or may have jurisdic on over the Property and which Buyer deems necessary or desirable in connec on with its intended use of the Property, including, but not limited to, permits and approvals required with respect to zoning, planning, building and safety, fire, police, handicapped and Americans with Disabili es Act requirements, transporta on and environmental ma ers.

i. *CondiƟons of Title*. Escrow Holder shall cause a current commitment for tle insurance ("**Title Commitment**") concerning the Property issued by the Title Company, as well as legible copies of all documents referred to in the Title Commitment ("**Underlying Documents**"), and a scaled and dimensioned plot showing the loca on of any easements to be delivered to Buyer within 10 or days following the Date of Agreement. Buyer has 10 days from the receipt of the Title Commitment, the Underlying Documents and the plot plan until the expiration of the Contingency Period to sa sfy itself with regard to the condi on of tle. The disapproval by Buyer of any monetary encumbrance, which by the terms of this Agreement is not to remain against the Property a er the Closing, shall not be considered a failure of this con ngency, as Seller shall have the obliga on, at Seller's expense, to sa sfy and remove such disapproved monetary encumbrance at or before the Closing.

ii. *Survey*. Buyer has until the expiration of the Contingency Period to sa sfy itself with regard to any ALTA tle supplement based upon a survey prepared to American Land Title Associa on ("**ALTA**") standards for an owner's policy by a licensed surveyor, showing the legal descrip on and boundary lines of the Property, any easements of record, and any improvements, poles, structures and things located within 10 feet of either side of the Property boundary lines. Any such survey shall be prepared at Buyer's direc on and expense. If Buyer has obtained a survey and approved the ALTA tle supplement, Buyer may elect within the period allowed for Buyer's approval of a survey to have an ALTA extended coverage owner's form of tle policy, in which event Buyer shall pay any addi onal premium a ributable thereto.

iii. *ExisƟng Leases and Tenancy Statements*. Seller shall within 10 or days following the Date of Agreement provide both Buyer and Escrow Holder with legible copies of all leases, subleases or rental arrangements (collec vely, "**ExisƟng Leases**") affec ng the Property, and with a tenancy statement ("**Estoppel CerƟficate**") in the latest form or equivalent to that published by the AIR, executed by Seller and/or each tenant and subtenant of the Property. Seller shall use its best efforts to have each tenant complete and execute an Estoppel Cer ficate. If any tenant fails or refuses to provide an Estoppel Cer ficate then Seller shall complete and execute an Estoppel Cer ficate for that tenancy.

Buyer has 10 days from the receipt of said Exis ng Leases and Estoppel Cer ficates to sa sfy itself with regard to the Exis ng Leases and any other tenancy issues.

i. *Owner's AssociaƟon*. Seller shall within 10 or 3 days following the Date of Agreement provide Buyer with a statement and transfer package from any owner's associa on servicing the Property. Such transfer package shall at a minimum include: copies of the associa on's bylaws, ar cles of incorpora on, current budget and financial statement. Buyer has 10 days from the receipt of such documentsuntil the expiration of the Contingency Period to sa sfy itself with regard to the associa on.

i. *Other Agreements*. Seller shall within 10 ~~or~~ days following the Date of Agreement provide Buyer with legible copies of all other agreements ("**Other Agreements**") known to Seller that will affect the Property a er Closing. Buyer has ~~10 days from the receipt of said Other Agreements~~ until the expiration of the Contingency Period to sa sfy itself with regard to such Agreements.

i. *Financing*. If paragraph 5 hereof dealing with a financing con ngency has not been stricken, the sa sfac on or waiver of such New Loan con ngency.

ii. *ExisƟng Notes*. If paragraph 3.1(c) has not been stricken, Seller shall within 10 or days following the Date of Agreement provide Buyer with legible copies of the Exis ng Notes, Exis ng Deeds of Trust and related agreements (collec vely, "**Loan Documents**") to which the Property will remain subject a er the Closing. Escrow Holder shall promptly request from the holders of the Exis ng Notes a beneficiary statement ("**Beneficiary Statement**") confirming: (1) the amount of the unpaid principal balance, the current interest rate, and the date to which interest is paid, and (2) the nature and amount of any impounds held by the beneficiary in connec on with such loan. Buyer has 10 or days following the receipt of the Loan Documents and Beneficiary Statements to sa sfy itself with regard to such financing. Buyer's obliga on to close is condi oned upon Buyer being able to purchase the Property without accelera on or change in the terms of any Exis ng Notes or charges to Buyer except as otherwise provided in this Agreement or approved by Buyer, provided, however, Buyer shall pay the transfer fee referred to in paragraph 3.2 hereof. Likewise if Seller is to carry back a Purchase Money Note then Seller shall within 10 or days following the Date of Agreement provide Buyer with a copy of the proposed Purchase Money Note and Purchase Money Deed of Trust. Buyer has 10 or days following the receipt of such documents to sa sfy itself with regard to the form and content thereof.

i. *Personal Property*. In the event that any personal property is included in the Purchase Price, Buyer has 10 or days following the Date of Agreement until the expiration of the Contingency Period to sa sfy itself with regard to the tle condi on of such personal property. Seller recommends that Buyer obtain a UCC1 report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any liens or encumbrances affec ng such personal property that it is aware of within 10 or days following the Date of Agreement.

ii. *DestrucƟon, Damage or Loss*. Subsequent to the Date of Agreement and prior to Closing there shall not have occurred a destruc on of, or damage or loss to, the Property or any por on thereof, from any cause whatsoever, which would cost more than $10,000.00 to repair or cure. If the cost of repair or cure is $10,000.00 or less, Seller shall repair or cure the loss prior to the Closing. Buyer shall have the op on, within 10 days a er receipt of wri en no ce of a loss cos ng more than $10,000.00 to repair or cure, to either terminate this Agreement or to purchase the Property notwithstanding such loss, but without deduc on or offset against the Purchase Price. If the cost to repair or cure is more than $10,000.00, and Buyer does not elect to terminate this Agreement, Buyer shall be en tled to any insurance proceeds applicable to such loss but without deduction or offset against the Purchase Price, except that Buyer shall receive a credit against the Purchase Price equal to Seller's insurance deductible. In the event the that the cost of the repair or cure is more than $10,000.00 and Buyer does not elect to terminate this Agreement, Seller shall not compromise, settle or adjust any claims without the prior consent of Buyer. Unless otherwise no fied in wri ng, Escrow Holder shall assume no such destruc on, damage or loss has occurred prior to Closing.

i. *Material Change*. Buyer shall have 10 days following receipt of wri en no ce of a Material Change within which to sa sfy itself with regard to such change. "**Material Change**" shall mean a substan al adverse change in the use, occupancy, tenants, tle, or condi on of the Property that occurs a er the date of this offer and prior to the Closing. Unless otherwise no fied in wri ng, Escrow Holder shall assume that no Material Change has occurred prior to the Closing.

i. *Seller Performance*. The delivery of all documents and the due performance by Seller of each and every undertaking and agreement to be performed by Seller under this Agreement.

i. *Brokerage Fee*. Payment at the Closing of such brokerage fee as is specified in this Agreement or later wri en instruc ons to Escrow Holder executed ~~by Seller and Brokers ("**Brokerage Fee**"). It is agreed by the Par es and Escrow Holder that Brokers are a third party beneficiary of this Agreement insofar as the~~ Brokerage Fee is concerned, and that no change shall be made with respect to the payment of the Brokerage Fee specified in this Agreement, without the wri en consent of Brokers.

a. All of the con ngencies specified in subparagraphs (a) through (m) of paragraph 9.1 are for the benefit of, and may be waived by, Buyer, and may be elsewhere herein referred to as "**Buyer's Con ngencies**."

b. If any of Buyer's Con ngencies or any other ma er subject to Buyer's approval is disapproved as provided for herein in a mely manner ("**Disapproved Item**"), Seller shall have the right within 10 days following the receipt of no ce of Buyer's disapproval to elect to cure such Disapproved Item prior to the Expected Closing Date ("**Seller's Elec on**"). Seller's failure to give to Buyer within such period, wri en no ce of Seller's commitment to cure such Disapproved Item on or before the Expected Closing Date shall be conclusively presumed to be Seller's Elec on not to cure such Disapproved Item. If Seller elects, either by wri en no ce or failure to give wri en no ce, not to cure a Disapproved Item, Buyer shall have the right, within 10 days a er Seller's Elec on to either accept tle to the Property subject to such Disapproved Item, or to terminate this Agreement. Buyer's failure to no fy Seller in wri ng of Buyer's elec on to accept tle to the Property subject to the Disapproved Item without deduc on or offset shall cons tute Buyer's elec on to terminate this Agreement. The above me periods only apply once for each Disapproved Item. Unless expressly provided otherwise herein, Seller's right to cure shall not apply to the remedia on of Hazardous Substance Condi ons or to the Financing Con ngency. Unless the Par es mutually instruct otherwise, if the me periods for the sa sfac on of con ngencies or for Seller's and Buyer's elec ons would expire on a date a er the Expected Closing Date, the Expected Closing Date shall be deemed extended for 3 business days following the expira on of: (a) the applicable con ngency period(s), (b) the period within which the Seller may elect to cure the Disapproved Item, or (c) if Seller elects not to cure, the period within which Buyer may elect to proceed with this transac on, whichever is later.

a. The Par es acknowledge that extensive local, state and Federal legisla on establish broad liability upon owners and/or users of real property for the inves ga on and remedia on of Hazardous Substances. The determina on of the existence of a Hazardous Substance Condi on and the evalua on of the impact of such a condi on are highly technical and beyond the exper se of Brokers. The Par es acknowledge that they have been advised by Brokers to consult their own technical and legal experts with respect to the possible presence of Hazardous Substances on the Property or adjoining proper es, and Buyer and Seller are not relying upon any inves ga on by or statement of Brokers with respect thereto. The Par es hereby assume all responsibility for the impact of such Hazardous Substances upon their respec ve interests herein.

3. **Documents and Other Items Required at or Before Closing.**

a. Five days prior to the Closing date Escrow Holder shall obtain an updated Title Commitment concerning the Property from the Title Company and provide copies thereof to each of the Par es.

b. Seller shall deliver to Escrow Holder in me for delivery to Buyer at the Closing:

i. Grant or general warranty deed, duly executed and in recordable form, conveying fee tle to the Property to Buyer.

ii. If applicable, the Beneficiary Statements concerning Exis ng Note(s).

iii. If applicable, the Exis ng Leases and Other Agreements together with duly executed assignments thereof by Seller and Buyer. The assignment of Exis ng Leases shall be on the most recent Assignment and Assump on of Lessor's Interest in Lease form published by the AIR or its equivalent.

iv. An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Sec on 1445 or successor statutes. If Seller does not provide such affidavit in form reasonably sa sfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Internal Revenue Service such sum as is required by applicable Federal law with respect to purchases from foreign sellers.

i. If the Property is located in California, an affidavit executed by Seller to the effect that Seller is not a "nonresident" within the meaning of California Revenue and Tax Code Sec on 18662 or successor statutes. If Seller does not provide such affidavit in form reasonably sa sfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Franchise Tax Board such sum as is required by such statute.

ii. If applicable, a bill of sale, duly executed, conveying tle to any included personal property to Buyer.

iii. If the Seller is a corpora on, a duly executed corporate resolu on authorizing the execu on of this Agreement and the sale of the Property.

c. Buyer shall deliver to Seller through Escrow:

i. The cash por on of the Purchase Price and such addi onal sums as are required of Buyer under this Agreement shall be deposited by Buyer with Escrow Holder, by federal funds wire transfer, or any other method acceptable to Escrow Holder in immediately collectable funds, no later than 2:00 P.M. on the business day prior to the Expected Closing Date provided, however, that Buyer shall not be required to deposit such monies into Escrow if at the me set for the deposit of such monies Seller is in default or has indicated that it will not perform any of its obliga ons hereunder. Instead, in such circumstances in order to reserve its rights to proceed Buyer need only provide Escrow with evidence establishing that the required monies were available.

ii. If a Purchase Money Note and Purchase Money Deed of Trust are called for by this Agreement, the duly executed originals of those documents, the Purchase Money Deed of Trust being in recordable form, together with evidence of fire insurance on the improvements in the amount of the full replacement cost naming Seller as a mortgage loss payee, and a real estate tax service contract (at Buyer's expense), assuring Seller of no ce of the status of payment of real property taxes during the life of the Purchase Money Note.

iii. The Assignment and Assump on of Lessor's Interest in Lease form specified in paragraph 10.2(c) above, duly executed by Buyer.

iv. Assump ons duly executed by Buyer of the obliga ons of Seller that accrue a er Closing under any Other Agreements.

v. If applicable, a wri en assump on duly executed by Buyer of the loan documents with respect to Exis ng Notes.

vi. If the Buyer is a corpora on, a duly executed corporate resolu on authorizing the execu on of this Agreement and the purchase of the Property.

d. At Closing, Escrow Holder shall cause to be issued to Buyer a standard coverage (or ALTA extended, if elected pursuant to 9.1(g)) owner's form policy of tle insurance effec ve as of the Closing, issued by the Title Company in the full amount of the Purchase Price, insuring tle to the Property vested in Buyer, subject only to the excep ons approved by Buyer. In the event there is a Purchase Money Deed of Trust in this transac on, the policy of tle insurance shall be a joint protec on policy insuring both Buyer and Seller.

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

1. **Prora ons and Adjustments.**

a. *Taxes*. Applicable real property taxes and special assessment bonds shall be prorated through Escrow as of the date of the Closing, based upon the latest tax bill available. The Par es agree to prorate as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closing. Payment of the prorated amount shall be made promptly in cash upon receipt of a copy of any supplemental bill.

b. *Insurance*. **WARNING**: Any insurance which Seller may have maintained will terminate on the Closing. Buyer is advised to obtain appropriate insurance to cover the Property.

c. *Rentals, Interest and Expenses*. Scheduled rentals, interest on Exis ng Notes, u li es, and opera ng expenses shall be prorated as of the date of Closing. The Par es agree to promptly adjust between themselves outside of Escrow any rents received a er the Closing.

a. *Security Deposit*. Security Deposits held by Seller shall be given to Buyer as a credit to the cash required of Buyer at the Closing.

b. *Post Closing MaΣers*. Any item to be prorated that is not determined or determinable at the Closing shall be promptly adjusted by the Par es by appropriate cash payment outside of the Escrow when the amount due is determined .

c. *VariaΘons in ExisΘng Note Balances*. In the event that Buyer is purchasing the Property subject to an Exis ng Deed of Trust(s), and in the event that a Beneficiary Statement as to the applicable Exis ng Note(s) discloses that the unpaid principal balance of such Exis ng Note(s) at the closing will be more or less than the amount set forth in paragraph 3.1(c) hereof ("**Exis ng Note Varia on**"), then the Purchase Money Note(s) shall be reduced or increased by an amount equal to such Exis ng Note Varia on. If there is to be no Purchase Money Note, the cash required at the Closing per paragraph 3.1(a) shall be reduced or increased by the amount of such Exis ng Note Varia on.

d. *VariaΘons in New Loan Balance*. In the event Buyer is obtaining a New Loan and the amount ul mately obtained exceeds the amount set forth in paragraph 5.1, then the amount of the Purchase Money Note, if any, shall be reduced by the amount of such excess.

e. *Owner's AssociaΘon Fees*. Escrow Holder shall: (i) bring Seller's account with the associa on current and pay any delinquencies or transfer fees from Seller's proceeds, and (ii) pay any up front fees required by the associa on from Buyer's funds.

2. **Representa ons and Warran es of Seller and Disclaimers.**

a. Seller's warran es and representa ons shall survive the Closing and delivery of the deed for a period of ~~3 years~~one (1) year, and any lawsuit or ac on based upon them must be commenced within such me period. Seller's warran es and representa ons are true, material and relied upon by Buyer and Brokers in all respects. Seller hereby makes the following warran es and representa ons to Buyer and Brokers:

i. *Authority of Seller*. Seller is the owner of the Property and/or has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obliga ons hereunder.

i. *Maintenance During Escrow and Equipment CondiΘon At Closing*. Except as otherwise provided in paragraph 9.1(n) hereof, Seller shall maintain the Property un l the Closing in its present condi on, ordinary wear and tear excepted.

ii. *Hazardous Substances/Storage Tanks*. Seller has no knowledge, except as otherwise disclosed to Buyer in wri ng, of the existence or prior existence on the Property of any Hazardous Substance and Condition, nor of the existence or prior existence of any above or below ground storage tank.

i. *Compliance*. Except as otherwise disclosed in wri ng, Seller has no knowledge of any aspect or condi on of the Property which violates applicable

laws, rules, regula ons, codes or covenants, condi ons or restric ons, or of improvements or altera ons made to the Property without a permit where one was required, or of any unfulfilled order or direc ve of any applicable governmental agency or casualty insurance company requiring any inves ga on, remedia on, repair, maintenance or improvement be performed on the Property.

i. *Changes in Agreements*. Prior to the Closing, Seller will not violate or modify any Exis ng Lease or Other Agreement, or create any new leases or other agreements affec ng the Property, without Buyer's wri en approval, which approval will not be unreasonably withheld.

i. *Possessory Rights*. Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in wri ng to Buyer.

ii. *Mechanics' Liens*. There are no unsa sfied mechanics' or materialmens' lien rights concerning the Property.

iii. *AcΘons, Suits or Proceedings*. Seller has no knowledge of any ac ons, suits or proceedings pending or threatened before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or u lize same.

i. *NoΘce of Changes*. Seller will promptly no fy Buyer and Brokers in wri ng of any Material Change (see paragraph 9.1(o)) affec ng the Property that becomes known to Seller prior to the Closing.

i. *No Tenant Bankruptcy Proceedings*. Seller has no no ce or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding.

i. *No Seller Bankruptcy Proceedings*. Seller is not the subject of a bankruptcy, insolvency or probate proceeding.

ii. *Personal Property*. Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affec ng such personal property, except as disclosed by this Agreement or otherwise in wri ng to Buyer.

a. Buyer hereby acknowledges that, except as otherwise stated in this Agreement, Buyer is purchasing the Property in its exis ng condi on and will, by the me called for herein, make or have waived all inspec ons of the Property Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property. The Par es acknowledge that, except as otherwise stated in this Agreement, no representa ons, inducements, promises, agreements, assurances, oral or wri en, concerning the Property, or any aspect of the occupa onal safety and health laws, Hazardous Substance laws, or any other act, ordinance or law, have been made by either Party or Brokers, or relied upon by either Party hereto.

b. In the event that Buyer learns that a Seller representa on or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway then, and in that event, Buyer waives any right that it may have to bring an ac on or proceeding against Seller or Brokers regarding said representa on or warranty.

c. Any environmental reports, soils reports, surveys, and other similar documents which were prepared by third party consultants and provided to Buyer by Seller or Seller's representa ves, have been delivered as an accommoda on to Buyer and without any representa on or warranty as to the sufficiency, accuracy, completeness, and/or validity of said documents, all of which Buyer relies on at its own risk. Seller believes said documents to be accurate, but Buyer is advised to retain appropriate consultants to review said documents and inves gate the Property.

3. **Possession.**

Possession of the Property shall be given to Buyer at the Closing subject to the rights of tenants under Exis ng Leases Exclusive possession of the Property shall be given to Buyer at the Closing (i.e., free of any rights of tenants, occupants or licensees). All trees in the rear yard of Property shall be removed by Seller at its cost in a lien free manner as a condition to closing.

1. **Buyer's Entry.**

At any me during the Escrow period, Buyer, and its agents and representa ves, shall have the right at reasonable mes and subject to rights of tenants, to enter upon the Property for the purpose of making inspec ons and tests specified in this Agreement. No destruc ve or invasive tes ng shall be conducted, however, without Seller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in wri ng by Seller, Buyer shall return the Property to the condi on it was in prior to such entry or work, including the recompac on or removal of any disrupted soil or material as Seller may reasonably direct. All such inspec ons and tests and any other work conducted or materials furnished with respect to the Property by or for Buyer shall be paid for by Buyer as and when due and Buyer shall indemnify, defend, protect and hold harmless Seller and the Property of and from any and all claims, liabili es, losses, expenses **15. Further Documents and Assurances** (including reasonable a orneys' .fees), damages, including those for injury to person or property, arising out of or rela ng to any such work or materials or the

actsThe Par or omissionses shall each of Buyer,, diligently an its agentsd i norgoo employeesd faith, undertake all ac in connec on therewith.ons and procedures reasonably required to place the Escrow in condi on for Closing as and when required by this Agreement. The Par es agree to provide all further informa on, and to execute and deliver all further documents, reasonably required by Escrow Holder or the Title Company.

1. **A orneys' Fees.**

If any Party or Broker brings an ac on or proceeding (including arbitra on) involving the Property whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as herea er defined) in any such proceeding, ac on, or appeal thereon, shall be en tled to reasonable a orneys' fees and costs. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such ac on or

proceeding is pursued to decision or judgment. The term "**Prevailing Party**" shall include, without limita on, a Party or Broker who substan ally obtains or defeats the relief sought, as the case may be, whether by compromise, se lement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The a orneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all a orneys' fees reasonably incurred.

1. **Prior Agreements/Amendments.**
   a. This Agreement supersedes any and all prior agreements between Seller and Buyer regarding the Property.
   b. Amendments to this Agreement are effec ve only if made in wri ng and executed by Buyer and Seller.
2. **Broker's Rights.**
   a. If this sale is not consummated due to the default of either the Buyer or Seller, the defaul ng Party shall be liable to and shall pay to Brokers the Brokerage Fee that Brokers would have received had the sale been consummated. If Buyer is the defaul ng party, payment of said Brokerage Fee is in addi on to any obliga on with respect to liquidated or other damages.
   b. Upon the Closing, Brokers are authorized to publicize the facts of this transac on.
3. **No ces.**
   a. Whenever any Party, Escrow Holder or Brokers herein shall desire to give or serve any no ce, demand, request, approval, disapproval or other communica on, each such communica on shall be in wri ng and shall be delivered personally, by messenger, or by mail, postage prepaid, to the address set forth in this agreement or by facsimile transmission, electronic signature, digital signature, or email.
   b. Service of any such communica on shall be deemed made on the date of actual receipt if personally delivered, or transmi ed by facsimile transmission, electronic signature, digital signature, or email. Any such communica on sent by regular mail shall be deemed given 48 hours a er the same is mailed.

Communica ons sent by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed delivered 24 hours a er delivery of the same to the Postal Service or courier. If such communica on is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

   a. Any Party or Broker hereto may from me to me, by no ce in wri ng, designate a different address to which, or a different person or addi onal persons to whom, all communica ons are therea er to be made.
4. **Dura on of Offer.**

23.8 **Days**. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer to calendar days. If any other date specified in this Agreement falls on a non -Business Day, such date for such event shall be extended to the next Business Day.

1. **Disclosures Regarding The Nature of a Real Estate Agency Rela onship.**
   a. The Par es and Brokers agree that their rela onship(s) shall be governed by the principles set forth in the applicable sec ons of the California Civil Code, as summarized in paragraph 24.2.
   b. When entering into a discussion with a real estate agent regarding a real estate transac on, a Buyer or Seller should from the outset understand what type of agency rela onship or representa on it has with the agent or agents in the transac on. Buyer and Seller acknowledge being advised by the Brokers in this transac on, as follows:
      i. *Seller's Agent*. A Seller's agent under a lis ng agreement with the Seller acts as the agent for the Seller only. A Seller's agent or subagent has the

following affirma ve obliga ons: (1) *To the Seller:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's du es. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affec ng the value or desirability of the property that are not known to, or within the diligent a en on and observa on of, the Par es. An agent is not obligated to reveal to either Party any confiden al informa on obtained from the other Party which does not involve the affirma ve du es set forth above.

      i. *Buyer's Agent*. A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situa ons, the agent is not the Seller's

agent, even if by agreement the agent may receive compensa on for services rendered, either in full or in part from the Seller. An agent ac ng only for a Buyer has the following affirma ve obliga ons. (1) *To the Buyer:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's du es. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affec ng the value or desirability of the property that are not known to, or within the diligent a en on and observa on of, the Par es. An agent is not obligated to reveal to either Party any confiden al informa on obtained from the other Party which does not involve the affirma ve du es set forth above.

      i. *Agent Represen ng Both Seller and Buyer*. A real estate agent, either ac ng directly or through one or more associate licensees, can legally be the

agent of both the Seller and the Buyer in a transac on, but only with the knowledge and consent of both the Seller and the Buyer. (1) In a dual agency situa on, the agent has the following affirma ve obliga ons to both the Seller and the Buyer: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer. b. Other du es to the Seller and the Buyer as stated above in their respec ve sec ons (a) or (b) of this paragraph 24.2. (2) In represen ng both Seller and Buyer, the agent may not, without the express permission of the

respec ve Party, disclose to the other Party confiden al informa on, including, but not limited to, facts rela ng to either Buyer's or Seller's financial posi on, mo va ons, bargaining posi on, or other personal informa on that may impact price, including Seller's willingness to accept a price less than the lis ng price or Buyer's willingness to pay a price greater than the price offered. (3) The above du es of the agent in a real estate transac on do not relieve a Seller or Buyer from the responsibility to protect their own interests. Buyer and Seller should carefully read all agreements to assure that they adequately express their understanding of the transac on. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Buyer has the duty to exercise reasonable care to protect Buyer, including as to those facts about the Property which are known to Buyer or within Buyer's diligent a en on and observa on. Both Seller and Buyer should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transac on can be complex and subject to change.

i. *Further Disclosures*. Throughout this transac on Buyer and Seller may receive more than one disclosure, depending upon the number of agents assis ng in the transac on. Buyer and Seller should each read its contents each me it is presented, considering the rela onship between them and the real estate agent in this transac on and that disclosure. Buyer and Seller each acknowledge receipt of a disclosure of the possibility of mul ple representa on by the Broker represen ng that principal. This disclosure may be part of a lis ng agreement, buyer representa on agreement or separate document. Buyer understands that Broker represen ng Buyer may also represent other poten al buyers, who may consider, make offers on or ul mately acquire the Property. Seller understands that Broker represen ng Seller may also represent other sellers with compe ng proper es that may be of interest to this Buyer. Brokers have no responsibility with respect to any default or breach hereof by either Party. The Par es agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission rela ng to this transac on may be brought against Broker more than one year a er the Date of Agreement and that the liability (including court costs and a orneys' fees), of any Broker with respect to any breach of duty, error or omission rela ng to this Agreement shall not exceed the fee received by such Broker pursuant to this Agreement; provided, however, that the foregoing limita on on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

a. *ConfidenƟal InformaƟon*. Buyer and Seller agree to iden fy to Brokers as "Confiden al" any communica on or informa on given Brokers that is considered by such Party to be confiden al.

2. **Construc on of Agreement.** In construing this Agreement, all headings and tles are for the convenience of the Par es only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. This Agreement shall not be construed as if prepared by one of the Par es, but rather according to its fair meaning as a whole, as if both Par es had prepared it.

3. **Addi onal Provisions.** See attached addendum.

Addi onal provisions of this offer, if any, are as follows or are a ached hereto by an addendum or addenda consis ng of paragraphs through - (If there are no addi onal provisions write "NONE".) See attached addendum , which is incorporated in this Agreement by reference. Seller shall pay Broker's commission pursuant to a separate agreement between Broker and Seller.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. **SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AGREEMENT.**
2. **RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY. SAID INVESTIGATION SHOULD INCLUDE BUT NOT**

Broker DRE License #: 00409987 Agent's DRE License #: 01450571

Fax:
Email:

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ADDENDUM TO STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

The Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate dated December 7, 2021 (the "**Standard Agreement**"), between Buyer and Seller for the Property, is hereby amended as set forth below. Capitalized terms used in this addendum shall have the same meanings as set forth in the Standard Agreement. If there is any conflict between this Addendum and the Standard Agreement, the terms of this Addendum shall prevail. The Standard Agreement and this Addendum are collectively referred to as the "**Agreement**". This Addendum together with the Standard Agreement itself represents the fully integrated and binding agreement of the parties.

1. **Contingency Period; Business Days**.

a. **Contingency Period**. Notwithstanding any preprinted or handwritten "days" to the contrary contained in the Agreement, the time period applicable for all "Buyer's Contingencies" under the Agreement, shall be from the Date of Agreement until that date which

is thirty (30) days following the Date of Agreement (herein, the "**Contingency Period**"). If this Agreement is terminated by Buyer prior to the expiration of the Contingency Period, the Deposit shall be immediately refunded to Buyer.

a. **Business Days**. As used herein, the term "**Business Day**" means any day that is not a Saturday, Sunday or legal holiday for national banks in the city in which the Property is located; provided however, that if the Expected Closing Date is scheduled to occur on a date on which the clerk's office or office of public records and/or Escrow Agent are not open for business as a result of the coronavirus referred to as COVID-19, or, as a direct result of governmental actions taken in connection with such virus, it is otherwise not reasonably feasible for the employees, agents and representatives of Buyer or Seller to consummate Closing on the Expected Closing Date, in which case the Expected Closing Date shall automatically be extended to the next Business Day on which such offices are open for business and it is reasonably feasible for the employees, agents and representatives of Seller and Buyer to consummate Closing.

1. **Representations, Warranties and Covenants**.

a. In addition to the representations and warranties set forth in Section 12 of the Standard Agreement, Seller also represents and warrants to Buyer that (i) Seller is not a party to any leases, tenancy or occupancy agreements affecting the Property except for a lease with an affiliate of Seller that shall terminate on or before the Closing; (ii) there are not any service contracts or other agreements that affect the Property to which Seller is a party except for those Other Agreements delivered to Buyer as provided in the Standard Agreement and the Cannabis Licenses (as defined below), and Seller has neither given nor received any notice of default with respect to any such Other Agreements; (iii) Seller has not granted to any other party any option, rights of first refusal, license or other similar agreement with respect to a purchase or sale of the Property or any portion thereof or any interest therein; (iv) except as provided in the due diligence materials provided by Seller, Seller has not received written notice from any governmental entity alleging that Seller has violated laws, including any environmental laws, with respect to the Property; (v) Seller has not made any contractual or donative commitments relating to the Property to any governmental authority, quasi-governmental authority, utility company, community association, homeowners' association or to any other organization, group, or individual which would impose any obligation upon Buyer to make any contribution or dedication of money or land, or to construct, install or maintain any improvements of a public or private nature on or off the Property; and (vi) to Seller's knowledge, none of its investors, affiliates or brokers or other agents (if any), acting or benefiting in any capacity in connection with this Agreement is a Prohibited Person. The assets Seller will transfer to Buyer under this Agreement are not the property of, and are not beneficially owned, directly or indirectly, by a Prohibited Person. The assets Seller will transfer to Buyer under this Agreement are not the proceeds of specified unlawful activity as defined by 18 U.S.C. §1956(c)(7). As used herein, "Prohibited Person" means any of the following: (1) a person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing (effective September 24, 2001) (the "**Executive Order**"); (2) a person or entity owned or controlled by, or acting for or on behalf of any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (3) a person or entity that is named as a "specially designated national" or "blocked person" on the most current list published by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") at its official website, http://www.treas.gov/offices/ enforcement/ofac; (4) a person or entity that is otherwise the target of any economic sanctions program currently administered by OFAC; or (5) a person or entity that is affiliated with any person or entity identified in clause (1), (2), (3) and/or (4) above. Seller agrees that during the term of this Agreement, Seller shall not enter into any lease or service contract concerning the Property without the prior consent of Buyer, which consent by Buyer may withhold in its sole discretion.

a. Seller represents and warrants that following the Closing through the end of

the survival period for Seller's representations and warranties, it shall maintain access to liquid assets sufficient to cover Seller's post-closing obligations set forth in this Agreement.

a. Seller shall promptly comply with completing Exhibit A and providing the information contained therein.

1. **Property Entry; Insurance**. Notwithstanding anything to the contrary in Section 14 of the Standard Agreement, Buyer's indemnification obligations shall expressly exclude losses arising out of the discovery of pre-existing conditions, the gross negligence or misconduct of Seller, or any diminution in value in the Property arising from, or related to, matters discovered by Buyer during its investigation of the Property which are not exacerbated by Buyer. As a condition precedent to Buyer's right of entry, Buyer shall obtain, keep in force until the Close of Escrow and provide evidence to Seller of comprehensive commercial general liability insurance written on an occurrence basis insuring Buyer and Seller against any liability arising out of Buyer's entry on the Property. Such insurance shall be in an amount of not less than One Million Dollars ($1,000,000) for injury or death of any number of persons in any one (1) accident or occurrence. Insurance required hereunder shall be in companies rated A, VII or better in current edition of "Best's Insurance Guide." Buyer understands that, due to COVID-19 and local health department and State directives, the Buyer's inspections of the Property may be limited if tenants are present. All Property visits and inspections shall comply with all applicable laws, including without limitation, State of California and local COVID-19 inspection protocols, if any. Local jurisdictions may have additional COVID-19 protocols and it is the Buyer's duty to be fully aware of the additional protocols, if any, and to fully comply with any additional COVID-19 requirements and to conduct its activity in a manner so as to prevent exposure of Property personnel or occupants to COVID-19.
2. **Buyer's Remedies on Seller Default**. If Seller defaults in its obligation to sell and convey the Property to Buyer pursuant to this Agreement, Buyer's sole remedy shall be to elect one of the following: (a) to terminate this Agreement, in which event Buyer shall be entitled to the return of the Deposit as well as reimbursement for Buyer's verifiable actual out-of-pocket third party expenses incurred in connection with this transaction (not to exceed $45,000.00), or (b) to bring a suit for specific performance provided that any suit for specific performance must be filed and served within sixty (60) days of Seller's default and Buyer waives the right to bring suit at any later date. Buyer shall give Escrow Holder and Seller written notice of Buyer's election of such remedy.
3. **Confidentiality**. Prior to the Close of Escrow, Buyer and Seller shall keep the proposed transaction confidential and shall not disclose any such confidential information to any other person or entity other than to such party's employees, representatives, attorneys, accountants, consultants, engineers, partners, investors and lenders. The foregoing shall not be applicable to disclosures as required by law, including without limitation, any disclosure required by the United States Securities and Exchange Commission, and/or disclosures required in connection with any disputes between Buyer and Seller.
4. **Conditions to Closing; Title Insurance**. In addition to the conditions to Closing set forth in the Standard Agreement, Buyer shall not be obligated to close hereunder unless each of the following conditions shall exist on the Expected Closing Date: all of the representations and warranties made by Seller in this Agreement or any of the closing documents shall be true, correct and complete in all material respects on and as of the Closing If any of the foregoing conditions are not satisfied before the Closing, Buyer may, at its option, and in its sole and absolute discretion, (i) waive any such condition which can legally be waived either at the time originally established for Closing and proceed to Closing without adjustment or abatement of the Purchase Price, or (ii) terminate this Agreement by written notice thereof to Seller, in which case the Deposit shall be returned to Buyer, and Buyer and Seller shall each pay one-half of the

cancellation charges as to the Property (unless Seller is in breach or default hereunder in which case Seller shall pay the cancellation charges as to the Property), if any, of Escrow Holder and Title Company. In addition to (and notwithstanding) the foregoing, if the failure of the condition is due to a breach by Seller hereunder, Buyer may pursue any of its remedies for a Seller default as provided in **Section 31** above. It shall also be a condition to Closing that Buyer obtain a title insurance policy at Closing. Buyer shall pay any difference in the cost of the premium for a standard CLTA Owner's standard policy of title insurance and any ALTA extended policy or endorsements Buyer elects to obtain.

5. **Initials Not Required**. Notwithstanding the fact that the Standard Agreement includes a place for each party to initial the bottom of each page of the Standard Agreement, neither party shall be required to initial any page of the Standard Agreement in order for this Agreement to be effective. This Agreement shall be effective if both parties execute this Agreement on the signature pages and deliver this Agreement to the other party.
6. **Cannabis Licenses**. Buyer acknowledges that an affiliate of Seller has a cannabis license with the City of Santa Ana (the "**Cannabis License**") and that the Cannabis License will not be part of the Property sold to Buyer pursuant to the Agreement. Seller's affiliate shall retain ownership of the Cannabis License, and in no event shall ownership of the Cannabis License be transferred to Buyer. Buyer acknowledges and agrees that the City of Santa Ana does not allow cannabis licenses to be transferred from the real property associated with such licenses without the City's consent. Accordingly, Buyer agrees to cooperate with Seller (at no cost to Buyer) to allow Seller's licensee affiliate to maintain and associate its Cannabis License with the City of Santa Ana with the Property for a period of up to twelve (12) months after the Closing, as determined and desired by Seller. Such cooperation includes leasing a portion of the Property determined by Buyer to Seller for up to twelve (12) months after the Closing. Any such lease shall be on the current American Industrial Real Estate Association's multi-tenant gross lease for the minimum amount of square footage reasonably required by Seller's affiliate and agreed to by Buyer for $1.00 per month and with such other changes as may reasonably be requested by either Buyer or Seller. Seller shall also provide Buyer at Closing with documentation in form and substance acceptable to the City of Santa Ana as necessary for Seller's affiliate to maintain the Cannabis License.
7. **Sale "As Is"**. The parties acknowledge that Seller does not hereby make, and has not made except as are specifically set forth in the Agreement, any warranties or representations, either expressed or implied, as to the Property's legal, physical and/or financial condition now or in the future, including but not limited to compliance with any laws, codes, ordinances, rules, regulations or requirements regarding the Property, or in connection with the purchase, ownership, maintenance, leasing, sale, zoning or land use of the Property. Buyer hereby expressly acknowledges that no such representations have been made except as specifically provided in the Agreement. In addition, Seller shall not be liable or bound in any manner for any verbal or written statements, representations, real estate brokers' "set-ups" or other information pertaining to the Property furnished by any real estate broker, agent, employee or other person unless the same are specifically set forth herein. Buyer hereby acknowledges that it is buying the Property in an "AS-IS" and "WITH ALL FAULTS" condition and is relying solely upon its own inspections, studies and investigations, and if circumstances, conditions or facts turn out differently than Buyer believed, Buyer shall not be relieved of any obligations under the Agreement which shall remain in full force and effect. In the event that, prior to the Close of Escrow, Buyer becomes aware of any fact, circumstance or event relating to the Property and proceeds nevertheless to consummate and close the transaction contemplated by the Agreement notwithstanding Buyer's knowledge of such fact, circumstance or event, then in such event, Buyer waives and agrees to release and hold harmless Seller from any claims, demands, causes of action, damages, costs or expenses arising out of or relating to

such fact, circumstance or event. Buyer shall assume the risk that adverse matters, including, but not limited to, adverse physical and environmental conditions, may not have been revealed by Buyer's inspections and investigations, and by Buyer purchasing the Property and upon the occurrence of the Closing, Buyer waives any and all right or ability to make a claim of any kind or nature against Seller and any representative of Seller for any and all deficiencies or defects in the Property which would be disclosed by such inspection and/or investigation.

8. **Disclosure of California Civil Code Section 1101.5**. Seller discloses that: (a) California Civil Code Section 1101.5(e) provides that, on or before January 1, 2019, all noncompliant plumbing fixtures in any multifamily residential real property and in any commercial real property shall be replaced with water-conserving plumbing fixtures; and (b) the Property may contain certain noncompliant plumbing fixtures. Buyer acknowledges and agrees that Seller shall have no obligation to replace any noncompliant plumbing fixtures prior to the Closing.
9. **No Recorded Memorandum.** Prior to Closing, neither this Agreement nor any memorandum hereof or referenced hereto, shall be filed in any place of public record. Failure of Buyer to comply with this section shall be a material default by Buyer under this Agreement and, at the election of Seller, shall automatically and immediately terminate all of Buyer's rights under this Agreement.
10. **Post-Closing Limitation of Liability**. In connection with any post-Closing remedy which Buyer may have against Seller for a breach of the Agreement or any of the representations and warranties contained in the Agreement, such remedy shall be limited to the actual damages incurred by Buyer not to exceed two hundred fifty-six thousand dollars ($256,000), all other remedies and damages at law or equity (including, without limitation, any consequential, indirect or punitive damages) being hereby expressly waived by Buyer. In no event shall Buyer seek or attempt to obtain recovery or judgment against any of Seller's officers, directors, shareholders, representatives, agents, or affiliates or any director, officer, manager, member, employee, shareholder, beneficiary or trustee of any of the foregoing. Notwithstanding anything to the contrary, Seller shall have absolutely no liability whatsoever to Buyer for the breach of any of Seller's warranties unless such breach results in damage or loss to Buyer greater than $25,000.00.
11. **Buyer's Notice Address**. The following are Buyer's Notice Addresses for this Agreement:

Attention: Email:
AND

Attention: Email:
With copies to:

Attention:
Email:
AND

Attention: Email:
**This notice address shall only be used for legal notices required this Agreement. For the avoidance of doubt, the parties shall not send any correspondence relating to escrow or title matters to this address, subject to the foregoing sentence.

41. **Seller's Notice Address**. The following are Seller's Notice Addresses for this Agreement:
620 Dyer LLC c/o Unrivaled Brands, Inc.
3242 S. Halladay Street, Suite 202

Santa Ana, CA 92705 Attention: Francis Knuettel II Email:

With copies to:
c/o Unrivaled Brands, Inc.
3242 South Halladay Street, #202 Santa Ana, California 92705 Attention: Email:
AND

Wolf, Rifkin, Shapiro, Schulman & Rabkin, LLP
11400 West Olympic Boulevard, 9th Floor Los Angeles, California 90064 Attention: Steven H. Zidell, Esq. Email:

[Signatures follow]

EXHIBIT A

STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

(NonResiden al) Dated: December 7, 2021

1. **Buyer.**
   a. FRO III/SMA ACQUISITIONS, LLC, a Delaware limited liability company , ("**Buyer**") hereby offers

to purchase the real property, hereina er described, from the owner thereof ("**Seller**") (collec vely, the "**ParƟes**" or individually, a "**Party**"), through an escrow ("**Escrow**") to close ~~30 or~~ 2 business days following the expiration of Contingency Period. Buyer's Con ngencies, ("**Expected Closing Date**") to be held by Chicago Title Company ("**Escrow Holder**") whose address is 725 South Figueroa Street, Suite 200, Los Angeles, CA 90017 , Phone No. (213)488-4358 , ~~Facsimile No.~~ mike.slinger@ctt.com upon the terms and condi ons set forth in this agreement ("**Agreement**"). Buyer shall have the right to assign Buyer's rights hereunder, but any such assignment shall not relieve Buyer of Buyer's obliga ons herein unless Seller expressly releases Buyer.

   a. The term "**Date of Agreement**" as used herein shall be the date when by execu on and delivery (as defined in paragraph 20.2) of this document or a subsequent counteroffer thereto, Buyer and Seller have reached agreement in wri ng whereby Seller agrees to sell, and Buyer agrees to purchase, the Property upon ~~terms accepted by both Par es.~~ a fully executed copy of this Agreement has been deliveredto Escrow Holder.

2. **Property.**
   a. The real property ("**Property**") that is the subject of this offer consists of (insert a brief physical descrip on) that certain property, together with all of Seller's right, title, and interest in and to all improvements and fixtures is located in the County of Orange , is commonly known as (street address, city, state, zip) 620 East Dyer Road, Santa Ana, California and is legally described as: to be provided by Title Company (APN: to be provided by Title Company).

   a. If the legal descrip on of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal descrip on shall be completed or corrected to meet the requirements of Chicago Title Attn: Mike Slinger ("**Title Company**"), which shall issue the tle policy hereina er described.

   b. The Property includes, at no addi onal cost to Buyer, the permanent improvements thereon, including those items which pursuant to applicable law are a part of the property, as well as the following items, if any, owned by Seller and at present located on the Property: electrical distribu on systems (power panel, bus duc ng, conduits, disconnects, ligh ng fixtures); telephone distribu on systems (lines, jacks and connec ons only); space heaters; hea ng, ven la ng, air condi oning equipment ("**HVAC**"); air lines; fire sprinkler systems; security and fire detec on systems; carpets; window coverings; wall coverings; and NONE (collec vely, the "**Improvements**").

c. The fire sprinkler monitor: is owned by Seller and included in the Purchase Price, is leased by Seller, and Buyer will need to nego ate a new lease with the fire monitoring company, ownership will be determined during Escrow, or there is no fire sprinkler monitor.

d. Except as provided in Paragraph 2.3, the Purchase Price does not include Seller's personal property, furniture and furnishings, and None all of which shall be removed by Seller prior to Closing.

3. **Purchase Price.**

a. The purchase price ("**Purchase Price**") to be paid by Buyer to Seller for the Property shall be $13,400,000.00 , payable as follows:

(Strike any not applicable) (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if an all cash transac on, the Purchase Price):

$13,400,000.00

i. Amount of "New Loan" as defined in paragraph 5.1, if any:

ii. Buyer shall take tle to the Property subject to and/or assume the following exis ng deed(s) of trust ("**ExisƟng Deed(s) of Trust**") securing the exis ng promissory note(s) ("**ExisƟng Note(s)**"):

1. An Exis ng Note ("**First Note**") with an unpaid principal balance as of the Closing of approximately:

Said First Note is payable at per month, including interest at the rate of % per annum un l paid (and/or the en re unpaid balance is due on).

1. An Exis ng Note ("**Second Note**") with an unpaid principal balance as of the Closing of approximately:

Said Second Note is payable at per month, including interest at the rate of % per annum un l paid (and/or the en re unpaid balance is due on).

i. Buyer shall give Seller a deed of trust ("**Purchase Money Deed of Trust**") on the property, to secure the promissory note of Buyer to Seller described in paragraph 6 ("**Purchase Money Note**") in the amount of:

Total Purchase Price: $13,400,000.00

a. If Buyer is taking tle to the Property subject to, or assuming, an Exis ng Deed of Trust and such deed of trust permits the beneficiary to demand payment of fees including, but not limited to, points, processing fees, and appraisal fees as a condi on to the transfer of the Property, Buyer agrees to pay such fees up to a maximum of 1.5% of the unpaid principal balance of the applicable Exis ng Note.

4. **Deposits.**

a. Buyer has delivered to Broker a check in the sum of , payable to Escrow Holder, to be delivered by Broker to Escrow Holder within 2 or business days a er both Par es have executed this Agreement and the executed Agreement has been delivered to Escrow Holder, or within 2 or

5 business days a er both Par es have executed this Agreement and the executed Agreement has been delivered to Escrow Holder Buyer shall deliver to

Escrow Holderme period then Seller may elect to unilaterally terminate this transacvia wire transfer ~~a check~~ in the sum of $500,000.00on by giving wri . If saiden no ce of such elec~~check~~

funds aron to Escrow Holder whereupon neither Party shalle ~~is~~ not received by Escrow Holder within said

have any further liability to the other under this Agreement. Should Buyer and Seller not enter into an agreement for purchase and sale, Buyer's check or funds shall, upon request by Buyer, be promptly returned to Buyer.

4.2 Addi onal deposits:

i. Within 5 business days a er the Date of Agreement, Buyer shall deposit with Escrow Holder the addi onal sum of to be applied to the Purchase Price at the Closing.

i. Within 5 business days a er the con ngencies discussed in paragraph 9.1 (a) through (m) are approved or waived, Buyer shall deposit via wire

transfer(c)with Escrow Holder the addiIf an Addi onal Deposit is noonal sum oft received by Escro$300,000w Holder withito be applied to the Purchase Price at the Closing.n the me period provided then Seller may no fy Buyer, Escrow Holder, and Brokers, in

wri ng that, unless the Addi onal Deposit is received by Escrow Holder within 2 business days following said no ce, the Escrow shall be deemed terminated without further no ce or instruc ons.

4.3 Escrow Holder shall deposit the funds deposited with it by Buyer pursuant to paragraphs 4.1 and 4.2 (collec vely the "**Deposit**"), in a State or Federally chartered bank in an interest bearing account whose term is appropriate and consistent with the ming requirements of this transac on. The interest therefrom shall accrue to the benefit of Buyer, who hereby acknowledges that there may be penal es or interest forfeitures if the applicable instrument is redeemed prior to its specified maturity. Buyer's Federal Tax Iden fica on Number is shall be provided separately to Title Company . NOTE: Such interest bearing account cannot be opened un l Buyer's Federal Tax Iden fica on Number is provided.

4.4 Notwithstanding the foregoing, within 5 days a er Escrow Holder receives the monies described in paragraph 4.1 above, Escrow Holder shall release $100 of said monies to Seller as and for independent considera on for Seller's' execu on of this Agreement and the gran ng of the con ngency period to Buyer as herein provided. Such independent considera on is nonrefundable to Buyer but shall be credited to the Purchase Price in the event that the purchase of the Property is completed.

4.5 Upon waiver of all of Buyer's con ngencies the Deposit shall become nonrefundable but applicable to the Purchase Price except in the event of a Seller breach, or in the event that the Escrow is terminated pursuant to the provisions of Paragraph 9.1(n) (Destruc on, Damage or Loss) or 9.1(o) (Material Change), or this Agreement otherwise expresslyprovides for the Deposit to be refunded to Buyer.

1. **Financing ConΘngency.** *(Strike if not applicable)*
   a. This offer is con ngent upon Buyer obtaining from an insurance company, financial ins tu on or other lender, a commitment to lend to Buyer a sum equal to at least % of the Purchase Price, on terms acceptable to Buyer. Such loan ("**New Loan**") shall be secured by a first deed of trust or mortgage on the Property. If this Agreement provides for Seller to carry back junior financing, then Seller shall have the right to approve the terms of the New Loan. Seller shall have 7 days following receipt of the commitment se ng forth the proposed terms of the New Loan to approve or disapprove of such proposed terms. If Seller fails to no fy Escrow Holder, in wri ng, of the disapproval within said 7 days it shall be conclusively presumed that Seller has approved the terms of the New Loan.
   b. **If Buyer shall fail to noΘfy its Broker, Escrow Holder and Seller, in wriΘng within days following the Date of Agreement, that the New Loan has not been obtained, it shall be conclusively presumed that Buyer has either obtained said New Loan or has waived this New Loan conΘngency.**
   c. If Buyer shall no fy its Broker, Escrow Holder and Seller, in wri ng, within the me specified in paragraph 5.2 hereof, that Buyer has not obtained said New Loan, this Agreement shall be terminated, and Buyer shall be en tled to the prompt return of the Deposit, plus any interest earned thereon, less only Escrow Holder and Title Company cancella on fees and costs, which Buyer shall pay.
2. **Seller Financing.** (Purchase Money Note). *(Strike if not applicable)*
   a. If Seller approves Buyer's financials (see paragraph 6.5) the Purchase Money Note shall provide for interest on unpaid principal at the rate of % per annum, with principal and interest paid as follows: . The Purchase Money Note and Purchase Money Deed of Trust shall be on the current forms commonly used by Escrow Holder, and be junior and subordinate only to the Exis ng Note(s) and/or the New Loan expressly called for by this Agreement.
   a. The Purchase Money Note and/or the Purchase Money Deed of Trust shall contain provisions regarding the following (see also paragraph 10.3 (b)): (a) *Prepayment*. Principal may be prepaid in whole or in part at any me without penalty, at the op on of the Buyer.
      i. *Late Charge*. A late charge of 6% shall be payable with respect to any payment of principal, interest, or other charges, not made within 10 days a er it is due.
      i. *Due On Sale*. In the event the Buyer sells or transfers tle to the Property or any por on thereof, then the Seller may, at Seller's op on, require the en re unpaid balance of said Note to be paid in full.
   a. If the Purchase Money Deed of Trust is to be subordinate to other financing, Escrow Holder shall, at Buyer's expense prepare and record on Seller's behalf a request for no ce of default and/or sale with regard to each mortgage or deed of trust to which it will be subordinate.
   b. **WARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGEMENTS ON SELLER FINANCING. IF BUYER ULTIMATELY DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE PROPERTY.**
   c. Seller's obliga on to provide financing is con ngent upon Seller's reasonable approval of Buyer's financial condi on. Buyer to provide a current financial statement and copies of its Federal tax returns for the last 3 years to Seller within 10 days following the Date of Agreement. Seller has 10 days following receipt of such documenta on to sa sfy itself with regard to Buyer's financial condi on and to no fy Escrow Holder as to whether or not Buyer's financial condi on is acceptable. If Seller fails to no fy Escrow Holder, in wri ng, of the disapproval of this con ngency within said me period, it shall be conclusively presumed that Seller has approved Buyer's financial condi on. If Seller is not sa sfied with Buyer's financial condi on or if Buyer fails to deliver the required documenta on then Seller may no fy Escrow Holder in wri ng that Seller Financing will not be available, and Buyer shall have the op on, within 10 days of the receipt of such no ce, to either terminate this transac on or to purchase the Property without Seller financing. If Buyer fails to no fy Escrow Holder within

said me period of its elec on to terminate this transac on then Buyer shall be conclusively presumed to have elected to purchase the Property without Seller financing. If Buyer elects to terminate, Buyer's Deposit shall be refunded less Title Company and Escrow Holder cancella on fees and costs, all of which shall be Buyer's obliga on.

3. **Real Estate Brokers.**

a. Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Rela onship, confirms and consents to the following agency rela onships in this transac on with the following real estate broker(s) ("**Brokers**") and/or their agents ("Agent(s)"):

Seller's Brokerage Firm CBRE, Inc. License No. 00409987 is the broker of (check one): the Seller; or both the Buyer and Seller (dual agent).

Seller's Agent Ross Fippinger License No. 01450571 is (check one): the Seller's Agent (salesperson or broker associate); or both the Seller's Agent and the Buyer's Agent (dual agent).

Buyer's Brokerage Firm CBRE, Inc. License No. 00409987 is the broker of (check one): the Buyer; or both the Buyer and Seller (dual agent).

Buyer's Agent Ross Fippinger License No. 01450571 is (check one): the Buyer's Agent (salesperson or broker associate); or both the Buyer's Agent and the Seller's Agent (dual agent).

The Par es acknowledge that other than the Brokers and Agents listed above, there are no other brokers or agents represen ng the Par es or due any fees and/or commissions under this Agreement. Buyer shall use the services of Buyer's Broker exclusively in connec on with any and all nego a ons and offers with respect to the Property for a period of 1 year from the date inserted for reference purposes at the top of page 1.

7.2 Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person, firm, broker, agent or finder in connec on with the nego a on of this Agreement and/or the consumma on of the purchase and sale contemplated herein, other than the Brokers and Agents named in paragraph 7.1, and no broker, agent or other person, firm or en ty, other than said Brokers and Agents is/are en tled to any commission or finder's fee in connec on with this transac on as the result of any dealings or acts of such Party. Buyer and Seller do each hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs, expenses or liability for compensa on, commission or charges which may be claimed by any broker, agent, finder or other similar party, other than said named Brokers and Agents by reason of any dealings or act of the indemnifying Party.

1. **Escrow and Closing.**

a. Upon acceptance hereof by Seller, this Agreement, including any counteroffers incorporated herein by the Par es, shall cons tute not only the agreement of purchase and sale between Buyer and Seller, but also instruc ons to Escrow Holder for the consumma on of the Agreement through the Escrow. Escrow Holder shall not prepare any further escrow instruc ons resta ng or amending the Agreement unless specifically so instructed by the Par es or a Broker herein. Subject to the reasonable approval of the Par es, Escrow Holder may, however, include its standard general escrow provisions. In the event that there is any conflict between the provisions of the Agreement and the provisions of any addi onal escrow instruc ons the provisions of the Agreement shall prevail as to the Par es and the Escrow Holder.

b. As soon as prac cal a er the receipt of this Agreement and any relevant counteroffers, Escrow Holder shall ascertain the Date of Agreement as defined in paragraphs 1.2 and 20.2 and advise the Par es and Brokers, in wri ng, of the date ascertained.

c. Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and prac ce of the community in which Escrow Holder is located, including any repor ng requirements of the Internal Revenue Code. In the event of a conflict between the law of the state where the Property is located and the law of the state where the Escrow Holder is located, the law of the state where the Property is located shall prevail.

d. Subject to sa sfac on of the con ngencies herein described, Escrow Holder shall close this escrow (the "**Closing**") by recording a general warranty deed (a grant deed in California) and the other documents required to be recorded, and by disbursing the funds and documents in accordance with this Agreement.

e. Buyer and Seller shall each pay onehalf of the Escrow Holder's charges and Seller shall pay the usual recording fees and any required documentary transfer taxes. Seller shall pay the premium for a standard coverage owner's or joint protec on policy of tle insurance. (See also paragraph 11.)

f. Escrow Holder shall verify that all of Buyer's con ngencies have been sa sfied or waived prior to Closing. The ma ers contained in paragraphs 9.1 subparagraphs (b), (c), (d), (e), (g), (i), (n), and (o), 9.4, 12, 13, 14, 16, 18, 20, 21, 22, and 24 are, however, ma ers of agreement between the Par es only and are not instruc ons to Escrow Holder.

g. If this transac on is terminated for nonsa sfac on and nonwaiver of a Buyer's Con ngency, as defined in paragraph 9.2 or disapproval of any other ma er subject to Buyer's approval, then neither of the Par es shall therea er have any liability to the other under this Agreement, except to the extent of a breach of any affirma ve covenant or warranty in this Agreement. In the event of such termina on, Buyer shall, subject to the provisions of paragraph 8.10, be promptly refunded all funds deposited by Buyer with Escrow Holder, less only the $100 provided for in paragraph 4.4 and the Title Company and Escrow Holder cancella on fees and costs, all of which shall be Buyer's obliga on. If this transac on is terminated as a result of Seller's breach of this Agreement then Seller shall pay the Title Company and Escrow Holder cancella on fees and costs.

h. The Closing shall occur on the Expected Closing Date, or as soon therea er as the Escrow is in condi on for Closing; provided, however, that if the Closing does not occur by the Expected Closing Date and said Date is not extended by mutual instruc ons of the Par es, a Party not then in default under this Agreement may no fy the other Party, Escrow Holder, and Brokers, in wri ng that, unless the Closing occurs within 5 business days following said no ce, the Escrow shall be deemed terminated without further no ce or instruc ons.

i. Except as otherwise provided herein, the termina on of Escrow shall not relieve or release either Party from any obliga on to pay Escrow Holder's fees and costs or cons tute a waiver, release or discharge of any breach or default that has occurred in the performance of the obliga ons, agreements, covenants or warran es contained therein.

j. If this Escrow is terminated for any reason other than Seller's breach or default, then as a condi on to the return of Buyer's deposit, Buyer shall within 5 days a er wri en request deliver to Seller, at no charge, copies of all surveys, engineering studies, soil reports, maps, master plans, feasibility studies and other similar items prepared by or for Buyer that pertain to the Property.

2. **ConΘngencies to Closing.** See Addendum.

a. The Closing of this transac on is con ngent upon the sa sfac on or waiver of the following con ngencies. **IF BUYER FAILS TO NOTIFY ESCROW HOLDER, IN WRITING, OF THE DISAPPROVAL OF ANY OF SAID CONTINGENCIES WITHIN THE TIME SPECIFIED THEREIN, IT SHALL BE CONCLUSIVELY PRESUMED THAT BUYER HAS APPROVED SUCH ITEM, MATTER OR DOCUMENT**. Buyer's condi onal approval shall cons tute disapproval, unless provision is made by the Seller within the me specified therefore by the Buyer in such condi onal approval or by this Agreement, whichever is later, for the sa sfac on of the condi on imposed by the Buyer. Escrow Holder shall promptly provide all Par es with copies of any wri en disapproval or condi onal approval which it receives. With regard to subparagraphs (a) through (m) the preprinted me periods shall control unless a different number of days is inserted in the spaces provided.

i. *Disclosure*. Seller shall make to Buyer, through Escrow, all of the applicable disclosures required by law (See AIR CRE ("**AIR**") standard form en tled "**Seller's Mandatory Disclosure Statement**") and provide Buyer with a completed Property Informa on Sheet ("**Property InformaΘon Sheet**") concerning the Property, duly executed by or on behalf of Seller in the current form or equivalent to that published by the AIR within 10 or 3 days following the Date of Agreement. . Buyer has 10 days from the receipt of said disclosures until the expiration of the Contingency Period t(as defined in the Addendum) to approve or disapprove the ma ers disclosed.

ii. *Physical InspecΘon*. Buyer has 10 or days following the receipt of the Property Informa on Sheet or the Date of Agreement, whichever ~~is later,~~ until the expiration of the Contingency Period to sa sfy itself with regard to the physical aspects and size of the Property.

iii. *Hazardous Substance CondiΘons Report*. Buyer has 30 or days following the receipt of the Property Informa on Sheet or the Date of Agreement, whichever is later, until the expiration of the Contingency Period to sa sfy itself with regard to the environmental aspects of the Property. Seller recommends that Buyer obtain a Hazardous Substance Condi ons Report concerning the Property and relevant adjoining proper es. Any such report shall be paid for by Buyer. A "**Hazardous Substance**" for purposes of this Agreement is defined as any substance whose nature and/or quan ty of existence, use, manufacture, disposal or effect, render it subject to Federal, state or local regula on, inves ga on, remedia on or removal as poten ally injurious to public health or welfare. A "**Hazardous Substance CondiΘon**" for purposes of this Agreement is defined as the existence on, under or relevantly adjacent to the Property of a Hazardous Substance that would require remedia on and/or removal under applicable Federal, state or local law.

i. *Soil InspecΘon*. Buyer has 30 or days following the receipt of the Property Informa on Sheet or the Date of Agreement, whichever is later until the expiration ofthe Contingency Period, to sa sfy itself with regard to the condi on of the soils on the Property. Seller recommends that Buyer obtain a soil test report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any soils report that Seller may have within 10 days following the Date of Agreement.

ii. *Governmental Approvals*. Buyer has ~~30 or days following the Date of Agreement~~ until the expiration of the Contingency Period to sa sfy itself with regard to approvals and permits from governmental agencies or departments which have or may have jurisdic on over the Property and which Buyer deems necessary or desirable in connec on with its intended use of the Property, including, but not limited to, permits and approvals required with respect to zoning, planning, building and safety, fire, police, handicapped and Americans with Disabili es Act requirements, transporta on and environmental ma ers.

i. *CondiΘons of Title*. Escrow Holder shall cause a current commitment for tle insurance ("**Title Commitment**") concerning the Property issued by the Title Company, as well as legible copies of all documents referred to in the Title Commitment ("**Underlying Documents**"), and a scaled and dimensioned plot showing the loca on of any easements to be delivered to Buyer within 10 or days following

the Date of Agreement. Buyer has 10 days from the receipt of the Title Commitment, the Underlying Documents and the plot plan until the expiration of the Contingency Period to sa sfy itself with regard to the condi on of tle. The disapproval by Buyer of any monetary encumbrance, which by the terms of this Agreement is not to remain against the Property a er the Closing, shall not be considered a failure of this con ngency, as Seller shall have the obliga on, at Seller's expense, to sa sfy and remove such disapproved monetary encumbrance at or before the Closing.

ii. *Survey*. Buyer has until the expiration of the Contingency Period to sa sfy itself with regard to any ALTA tle supplement based upon a survey prepared to American Land Title Associa on ("**ALTA**") standards for an owner's policy by a licensed surveyor, showing the legal descrip on and boundary lines of the Property, any easements of record, and any improvements, poles, structures and things located within 10 feet of either side of the Property boundary lines. Any such survey shall be prepared at Buyer's direc on and expense. If Buyer has obtained a survey and approved the ALTA tle supplement, Buyer may elect within the period allowed for Buyer's approval of a survey to have an ALTA extended coverage owner's form of tle policy, in which event Buyer shall pay any addi onal premium a ributable thereto.

iii. *ExisƟng Leases and Tenancy Statements*. Seller shall within 10 or days following the Date of Agreement provide both Buyer and Escrow Holder with legible copies of all leases, subleases or rental arrangements (collec vely, "**ExisƟng Leases**") affec ng the Property, and with a tenancy statement ("**Estoppel CerƟficate**") in the latest form or equivalent to that published by the AIR, executed by Seller and/or each tenant and subtenant of the Property. Seller shall use its best efforts to have each tenant complete and execute an Estoppel Cer ficate. If any tenant fails or refuses to provide an Estoppel Cer ficate then Seller shall complete and execute an Estoppel Cer ficate for that tenancy. Buyer has 10 days from the receipt of said Exis ng Leases and Estoppel Cer ficates to sa sfy itself with regard to the Exis ng Leases and any other tenancy issues.

i. *Owner's AssociaƟon*. Seller shall within 10 or 3 days following the Date of Agreement provide Buyer with a statement and transfer package from any owner's associa on servicing the Property. Such transfer package shall at a minimum include: copies of the associa on's bylaws, ar cles of incorpora on, current budget and financial statement. Buyer has 10 days from the receipt of such documentsuntil the expiration of the Contingency Period to sa sfy itself with regard to the associa on.

i. *Other Agreements*. Seller shall within 10 or days following the Date of Agreement provide Buyer with legible copies of all other agreements ("**Other Agreements**") known to Seller that will affect the Property a er Closing. Buyer has 10 days from the receipt of said Other Agreements until the expiration of the Contingency Period to sa sfy itself with regard to such Agreements.

i. *Financing*. If paragraph 5 hereof dealing with a financing con ngency has not been stricken, the sa sfac on or waiver of such New Loan con ngency.

ii. *ExisƟng Notes*. If paragraph 3.1(c) has not been stricken, Seller shall within 10 or days following the Date of Agreement provide Buyer with legible copies of the Exis ng Notes, Exis ng Deeds of Trust and related agreements (collec vely, "**Loan Documents**") to which the Property will remain subject a er the Closing. Escrow Holder shall promptly request from the holders of the Exis ng Notes a beneficiary statement ("**Beneficiary Statement**") confirming: (1) the amount of the unpaid principal balance, the current interest rate, and the date to which interest is paid, and (2) the nature and amount of any impounds held by the beneficiary in connec on with such loan. Buyer has 10 or days following the receipt of the Loan Documents and Beneficiary Statements to sa sfy itself with regard to such financing. Buyer's obliga on to close is condi oned upon Buyer being able to purchase the Property without accelera on or change in the terms of any Exis ng Notes or charges to Buyer except as otherwise provided in this Agreement or approved by Buyer, provided, however, Buyer shall pay the transfer fee referred to in paragraph 3.2 hereof. Likewise if Seller is to carry back a Purchase Money Note then Seller shall within 10 or days following the Date of Agreement provide Buyer with a copy of the proposed Purchase Money Note and Purchase Money Deed of Trust. Buyer has 10 or days following the receipt of such documents to sa sfy itself with regard to the form and content thereof.

i. *Personal Property*. In the event that any personal property is included in the Purchase Price, Buyer has 10 or days following the Date of Agreement until the expiration of the Contingency Period to sa sfy itself with regard to the tle condi on of such personal property. Seller recommends that Buyer obtain a UCC1 report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any liens or encumbrances affec ng such personal property that it is aware of within 10 or days following the Date of Agreement.

ii. *DestrucƟon, Damage or Loss*. Subsequent to the Date of Agreement and prior to Closing there shall not have occurred a destruc on of, or damage or loss to, the Property or any por on thereof, from any cause whatsoever, which would cost more than $10,000.00 to repair or cure. If the cost of repair or cure is $10,000.00 or less, Seller shall repair or cure the loss prior to the Closing. Buyer shall have the op on, within 10 days a er receipt of wri en no ce of a loss cos ng more than $10,000.00 to repair or cure, to either terminate this Agreement or to purchase the Property notwithstanding such loss, but without deduc on or offset against the Purchase Price. If the cost to repair or cure is more than $10,000.00, and Buyer does not elect to terminate this Agreement, Buyer shall be en tled to any insurance proceeds applicable to such loss but without deduction or offset against the Purchase Price, except that

Buyer shall receive a credit against the Purchase Price equal to Seller's insurance deductible. In the event the that the cost of the repair or cure is more than $10,000.00 and Buyer does not elect to terminate this Agreement, Seller shall not compromise, settle or adjust any claims without the prior
consent of Buyer. Unless otherwise no fied in wri ng, Escrow Holder shall assume no such destruc on, damage or loss has occurred prior to Closing.

i. *Material Change*. Buyer shall have 10 days following receipt of wri en no ce of a Material Change within which to sa sfy itself with regard to such change. "**Material Change**" shall mean a substan al adverse change in the use, occupancy, tenants, tle, or condi on of the Property that occurs a er the date of this offer and prior to the Closing. Unless otherwise no fied in wri ng, Escrow Holder shall assume that no Material Change has occurred prior to the Closing.

i. *Seller Performance*. The delivery of all documents and the due performance by Seller of each and every undertaking and agreement to be performed by Seller under this Agreement.

i. *Brokerage Fee*. Payment at the Closing of such brokerage fee as is specified in this Agreement or later wri en instruc ons to Escrow Holder executed ~~by Seller and Brokers ("**Brokerage Fee**"). It is agreed by the Par es and Escrow Holder that Brokers are a third party beneficiary of this Agreement insofar as the~~ Brokerage Fee is concerned, and that no change shall be made with respect to the payment of the Brokerage Fee specified in this Agreement, without the wri en consent of Brokers.

a. All of the con ngencies specified in subparagraphs (a) through (m) of paragraph 9.1 are for the benefit of, and may be waived by, Buyer, and may be elsewhere herein referred to as "**Buyer's Con ngencies**."

b. If any of Buyer's Con ngencies or any other ma er subject to Buyer's approval is disapproved as provided for herein in a mely manner ("**Disapproved Item**"), Seller shall have the right within 10 days following the receipt of no ce of Buyer's disapproval to elect to cure such Disapproved Item prior to the Expected Closing Date ("**Seller's Elec on**"). Seller's failure to give to Buyer within such period, wri en no ce of Seller's commitment to cure such Disapproved Item on or before the Expected Closing Date shall be conclusively presumed to be Seller's Elec on not to cure such Disapproved Item. If Seller elects, either by wri en no ce or failure to give wri en no ce, not to cure a Disapproved Item, Buyer shall have the right, within 10 days a er Seller's Elec on to either accept tle to the Property subject to such Disapproved Item, or to terminate this Agreement. Buyer's failure to no fy Seller in wri ng of Buyer's elec on to accept tle to the Property subject to the Disapproved Item without deduc on or offset shall cons tute Buyer's elec on to terminate this Agreement. The above me periods only apply once for each Disapproved Item. Unless expressly provided otherwise herein, Seller's right to cure shall not apply to the remedia on of Hazardous Substance Condi ons or to the Financing Con ngency. Unless the Par es mutually instruct otherwise, if the me periods for the sa sfac on of con ngencies or for Seller's and Buyer's elec ons would expire on a date a er the Expected Closing Date, the Expected Closing Date shall be deemed extended for 3 business days following the expira on of: (a) the applicable con ngency period(s), (b) the period within which the Seller may elect to cure the Disapproved Item, or (c) if Seller elects not to cure, the period within which Buyer may elect to proceed with this transac on, whichever is later.

a. The Par es acknowledge that extensive local, state and Federal legisla on establish broad liability upon owners and/or users of real property for the inves ga on and remedia on of Hazardous Substances. The determina on of the existence of a Hazardous Substance Condi on and the evalua on of the impact of such a condi on are highly technical and beyond the exper se of Brokers. The Par es acknowledge that they have been advised by Brokers to consult their own technical and legal experts with respect to the possible presence of Hazardous Substances on the Property or adjoining proper es, and Buyer and Seller are not relying upon any inves ga on by or statement of Brokers with respect thereto. The Par es hereby assume all responsibility for the impact of such Hazardous Substances upon their respec ve interests herein.

3. **Documents and Other Items Required at or Before Closing.**

a. Five days prior to the Closing date Escrow Holder shall obtain an updated Title Commitment concerning the Property from the Title Company and provide copies thereof to each of the Par es.

b. Seller shall deliver to Escrow Holder in me for delivery to Buyer at the Closing:

i. Grant or general warranty deed, duly executed and in recordable form, conveying fee tle to the Property to Buyer.

ii. If applicable, the Beneficiary Statements concerning Exis ng Note(s).

iii. If applicable, the Exis ng Leases and Other Agreements together with duly executed assignments thereof by Seller and Buyer. The assignment of Exis ng Leases shall be on the most recent Assignment and Assump on of Lessor's Interest in Lease form published by the AIR or its equivalent.

iv. An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Sec on 1445 or successor statutes. If Seller does not provide such affidavit in form reasonably sa sfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Internal Revenue Service such sum as is required by applicable Federal law with respect to purchases from foreign sellers.

i. If the Property is located in California, an affidavit executed by Seller to the effect that Seller is not a "nonresident" within the meaning of California Revenue and Tax Code Sec on 18662 or successor statutes. If Seller does not provide such affidavit in form reasonably sa sfactory to Buyer at least 3 business days prior to

the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Franchise Tax Board such sum as is required by such statute.

ii. If applicable, a bill of sale, duly executed, conveying tle to any included personal property to Buyer.

iii. If the Seller is a corpora on, a duly executed corporate resolu on authorizing the execu on of this Agreement and the sale of the Property.

c. Buyer shall deliver to Seller through Escrow:

i. The cash por on of the Purchase Price and such addi onal sums as are required of Buyer under this Agreement shall be deposited by Buyer with Escrow Holder, by federal funds wire transfer, or any other method acceptable to Escrow Holder in immediately collectable funds, no later than 2:00 P.M. on the business day prior to the Expected Closing Date provided, however, that Buyer shall not be required to deposit such monies into Escrow if at the me set for the deposit of such monies Seller is in default or has indicated that it will not perform any of its obliga ons hereunder. Instead, in such circumstances in order to reserve its rights to proceed Buyer need only provide Escrow with evidence establishing that the required monies were available.

ii. If a Purchase Money Note and Purchase Money Deed of Trust are called for by this Agreement, the duly executed originals of those documents, the Purchase Money Deed of Trust being in recordable form, together with evidence of fire insurance on the improvements in the amount of the full replacement cost naming Seller as a mortgage loss payee, and a real estate tax service contract (at Buyer's expense), assuring Seller of no ce of the status of payment of real property taxes during the life of the Purchase Money Note.

iii. The Assignment and Assump on of Lessor's Interest in Lease form specified in paragraph 10.2(c) above, duly executed by Buyer.

iv. Assump ons duly executed by Buyer of the obliga ons of Seller that accrue a er Closing under any Other Agreements.

v. If applicable, a wri en assump on duly executed by Buyer of the loan documents with respect to Exis ng Notes.

vi. If the Buyer is a corpora on, a duly executed corporate resolu on authorizing the execu on of this Agreement and the purchase of the Property.

d. At Closing, Escrow Holder shall cause to be issued to Buyer a standard coverage (or ALTA extended, if elected pursuant to 9.1(g)) owner's form policy of tle insurance effec ve as of the Closing, issued by the Title Company in the full amount of the Purchase Price, insuring tle to the Property vested in Buyer, subject only to the excep ons approved by Buyer. In the event there is a Purchase Money Deed of Trust in this transac on, the policy of tle insurance shall be a joint protec on policy insuring both Buyer and Seller.

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

1. **Prora ons and Adjustments.**

a. *Taxes*. Applicable real property taxes and special assessment bonds shall be prorated through Escrow as of the date of the Closing, based upon the latest tax bill available. The Par es agree to prorate as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closing. Payment of the prorated amount shall be made promptly in cash upon receipt of a copy of any supplemental bill.

b. *Insurance*. **WARNING**: Any insurance which Seller may have maintained will terminate on the Closing. Buyer is advised to obtain appropriate insurance to cover the Property.

c. *Rentals, Interest and Expenses*. Scheduled rentals, interest on Exis ng Notes, u li es, and opera ng expenses shall be prorated as of the date of Closing.

The Par es agree to promptly adjust between themselves outside of Escrow any rents received a er the Closing.

a. *Security Deposit*. Security Deposits held by Seller shall be given to Buyer as a credit to the cash required of Buyer at the Closing.

b. *Post Closing MaΣers*. Any item to be prorated that is not determined or determinable at the Closing shall be promptly adjusted by the Par es by appropriate cash payment outside of the Escrow when the amount due is determined .

c. *VariaƟons in ExisƟng Note Balances*. In the event that Buyer is purchasing the Property subject to an Exis ng Deed of Trust(s), and in the event that a Beneficiary Statement as to the applicable Exis ng Note(s) discloses that the unpaid principal balance of such Exis ng Note(s) at the closing will be more or less than the amount set forth in paragraph 3.1(c) hereof ("**Exis ng Note Varia on**"), then the Purchase Money Note(s) shall be reduced or increased by an amount equal to such Exis ng Note Varia on. If there is to be no Purchase Money Note, the cash required at the Closing per paragraph 3.1(a) shall be reduced or increased by the amount of such Exis ng Note Varia on.

d. *VariaƟons in New Loan Balance*. In the event Buyer is obtaining a New Loan and the amount ul mately obtained exceeds the amount set forth in paragraph 5.1, then the amount of the Purchase Money Note, if any, shall be reduced by the amount of such excess.

e. *Owner's AssociaƟon Fees*. Escrow Holder shall: (i) bring Seller's account with the associa on current and pay any delinquencies or transfer fees from Seller's proceeds, and (ii) pay any up front fees required by the associa on from Buyer's funds.

2. **Representa ons and Warran es of Seller and Disclaimers.**

a. Seller's warran es and representa ons shall survive the Closing and delivery of the deed for a period of ~~3 years~~one (1) year, and any lawsuit or ac on based upon them must be commenced within such me period. Seller's warran es and representa ons are true, material and relied upon by Buyer and Brokers in all respects. Seller hereby makes the following warran es and representa ons to Buyer and Brokers:

i. *Authority of Seller*. Seller is the owner of the Property and/or has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obliga ons hereunder.

i. *Maintenance During Escrow and Equipment CondiƟon At Closing*. Except as otherwise provided in paragraph 9.1(n) hereof, Seller shall maintain the Property un l the Closing in its present condi on, ordinary wear and tear excepted.

ii. *Hazardous Substances/Storage Tanks*. Seller has no knowledge, except as otherwise disclosed to Buyer in wri ng, of the existence or prior existence on the Property of any Hazardous Substance and Condition, nor of the existence or prior existence of any above or below ground storage tank.

i. *Compliance*. Except as otherwise disclosed in wri ng, Seller has no knowledge of any aspect or condi on of the Property which violates applicable laws, rules, regula ons, codes or covenants, condi ons or restric ons, or of improvements or altera ons made to the Property without a permit where one was required, or of any unfulfilled order or direc ve of any applicable governmental agency or casualty insurance company requiring any inves ga on, remedia on, repair, maintenance or improvement be performed on the Property.

i. *Changes in Agreements*. Prior to the Closing, Seller will not violate or modify any Exis ng Lease or Other Agreement, or create any new leases or other agreements affec ng the Property, without Buyer's wri en approval, which approval will not be unreasonably withheld.

i. *Possessory Rights*. Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in wri ng to Buyer.

ii. *Mechanics' Liens*. There are no unsa sfied mechanics' or materialmens' lien rights concerning the Property.

iii. *AcƟons, Suits or Proceedings*. Seller has no knowledge of any ac ons, suits or proceedings pending or threatened before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or u lize same.

i. *NoƟce of Changes*. Seller will promptly no fy Buyer and Brokers in wri ng of any Material Change (see paragraph 9.1(o)) affec ng the Property that becomes known to Seller prior to the Closing.

i. *No Tenant Bankruptcy Proceedings*. Seller has no no ce or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding.

i. *No Seller Bankruptcy Proceedings*. Seller is not the subject of a bankruptcy, insolvency or probate proceeding.

ii. *Personal Property*. Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affec ng such personal property, except as disclosed by this Agreement or otherwise in wri ng to Buyer.

a. Buyer hereby acknowledges that, except as otherwise stated in this Agreement, Buyer is purchasing the Property in its exis ng condi on and will, by the me called for herein, make or have waived all inspec ons of the Property Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property. The Par es acknowledge that, except as otherwise stated in this Agreement, no representa ons, inducements, promises, agreements, assurances, oral or wri en, concerning the Property, or any aspect of the occupa onal safety and health laws, Hazardous Substance laws, or any other act, ordinance or law, have been made by either Party or Brokers, or relied upon by either Party hereto.

b. In the event that Buyer learns that a Seller representa on or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway then, and in that event, Buyer waives any right that it may have to bring an ac on or proceeding against Seller or Brokers regarding said representa on or warranty.

c. Any environmental reports, soils reports, surveys, and other similar documents which were prepared by third party consultants and provided to Buyer by Seller or Seller's representa ves, have been delivered as an accommoda on to Buyer and without any representa on or warranty as to the sufficiency, accuracy, completeness, and/or validity of said documents, all of which Buyer relies on at its own risk. Seller believes said documents to be accurate, but Buyer is advised to retain appropriate consultants to review said documents and inves gate the Property.

3. **Possession.**

Possession of the Property shall be given to Buyer at the Closing subject to the rights of tenants under Exis ng Leases Exclusive possession of the Property shall be given to Buyer at the Closing (i.e., free of any rights of tenants, occupants or licensees). All trees in the rear yard of Property shall be removed by Seller at its cost in a lien free manner as a condition to closing.

1. **Buyer's Entry.**

At any me during the Escrow period, Buyer, and its agents and representa ves, shall have the right at reasonable mes and subject to rights of tenants, to enter upon the Property for the purpose of making inspec ons and tests specified in this Agreement. No destruc ve or invasive tes ng shall be conducted, however, without Seller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in wri ng by Seller, Buyer shall return the Property to the condi on it was in prior to such entry or work, including the recompac on or removal of any disrupted soil or material as Seller may reasonably direct. All such inspec ons and tests and any other work conducted or materials furnished with respect to the Property by or for Buyer shall be paid for by Buyer as and when due and Buyer shall indemnify, defend, protect and hold harmless Seller and the Property of and from any and all claims, liabili es, losses, expenses**15. Further Documents and Assurances** (including reasonable a orneys' .fees), damages, including those for injury to person or property, arising out of or rela ng to any such work or materials or the actsThe Par or omissionses shall each of Buyer,, diligently an its agentsd i norgoo employeesd faith, undertake all ac in connec on therewith.ons and procedures reasonably required to place the Escrow in condi on for Closing as and when required by this Agreement. The Par es agree to provide all further informa on, and to execute and deliver all further documents, reasonably required by Escrow Holder or the Title Company.

1. **A orneys' Fees.**

If any Party or Broker brings an ac on or proceeding (including arbitra on) involving the Property whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as herea er defined) in any such proceeding, ac on, or appeal thereon, shall be en tled to reasonable a orneys' fees and costs. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such ac on or proceeding is pursued to decision or judgment. The term "**Prevailing Party**" shall include, without limita on, a Party or Broker who substan ally obtains or defeats the relief sought, as the case may be, whether by compromise, se lement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The a orneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all a orneys' fees reasonably incurred.

1. **Prior Agreements/Amendments.**
    a. This Agreement supersedes any and all prior agreements between Seller and Buyer regarding the Property.
    b. Amendments to this Agreement are effec ve only if made in wri ng and executed by Buyer and Seller.
2. **Broker's Rights.**
    a. If this sale is not consummated due to the default of either the Buyer or Seller, the defaul ng Party shall be liable to and shall pay to Brokers the Brokerage Fee that Brokers would have received had the sale been consummated. If Buyer is the defaul ng party, payment of said Brokerage Fee is in addi on to any obliga on with respect to liquidated or other damages.
    b. Upon the Closing, Brokers are authorized to publicize the facts of this transac on.
3. **No ces.**
    a. Whenever any Party, Escrow Holder or Brokers herein shall desire to give or serve any no ce, demand, request, approval, disapproval or other communica on, each such communica on shall be in wri ng and shall be delivered personally, by messenger, or by mail, postage prepaid, to the address set forth in this agreement or by facsimile transmission, electronic signature, digital signature, or email.
    b. Service of any such communica on shall be deemed made on the date of actual receipt if personally delivered, or transmi ed by facsimile transmission, electronic signature, digital signature, or email. Any such communica on sent by regular mail shall be deemed given 48 hours a er the same is mailed.

Communica ons sent by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed delivered 24 hours a er delivery of the same to the Postal Service or courier. If such communica on is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

    a. Any Party or Broker hereto may from me to me, by no ce in wri ng, designate a different address to which, or a different person or addi onal persons to whom, all communica ons are therea er to be made.
4. **Dura on of Offer.**

23.8 **Days**. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer to calendar days. If any other date specified in this Agreement falls on a non -Business Day, such date for such event shall be extended to the next Business Day.

1. **Disclosures Regarding The Nature of a Real Estate Agency Rela onship.**
    a. The Par es and Brokers agree that their rela onship(s) shall be governed by the principles set forth in the applicable sec ons of the California Civil Code, as summarized in paragraph 24.2.

b. When entering into a discussion with a real estate agent regarding a real estate transac on, a Buyer or Seller should from the outset understand what type of agency rela onship or representa on it has with the agent or agents in the transac on. Buyer and Seller acknowledge being advised by the Brokers in this transac on, as follows:

i. *Seller's Agent*. A Seller's agent under a lis ng agreement with the Seller acts as the agent for the Seller only. A Seller's agent or subagent has the following affirma ve obliga ons: (1) *To the Seller:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's du es. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affec ng the value or desirability of the property that are not known to, or within the diligent a en on and observa on of, the Par es. An agent is not obligated to reveal to either Party any confiden al informa on obtained from the other Party which does not involve the affirma ve du es set forth above.

i. *Buyer's Agent*. A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situa ons, the agent is not the Seller's agent, even if by agreement the agent may receive compensa on for services rendered, either in full or in part from the Seller. An agent ac ng only for a Buyer has the following affirma ve obliga ons. (1) *To the Buyer:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's du es. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affec ng the value or desirability of the property that are not known to, or within the diligent a en on and observa on of, the Par es. An agent is not obligated to reveal to either Party any confiden al informa on obtained from the other Party which does not involve the affirma ve du es set forth above.

i. *Agent RepresenƟng Both Seller and Buyer*. A real estate agent, either ac ng directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transac on, but only with the knowledge and consent of both the Seller and the Buyer. (1) In a dual agency situa on, the agent has the following affirma ve obliga ons to both the Seller and the Buyer: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer. b. Other du es to the Seller and the Buyer as stated above in their respec ve sec ons (a) or (b) of this paragraph 24.2. (2) In represen ng both Seller and Buyer, the agent may not, without the express permission of the respec ve Party, disclose to the other Party confiden al informa on, including, but not limited to, facts rela ng to either Buyer's or Seller's financial posi on, mo va ons, bargaining posi on, or other personal informa on that may impact price, including Seller's willingness to accept a price less than the lis ng price or Buyer's willingness to pay a price greater than the price offered. (3) The above du es of the agent in a real estate transac on do not relieve a Seller or Buyer from the responsibility to protect their own interests. Buyer and Seller should carefully read all agreements to assure that they adequately express their understanding of the transac on. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Buyer has the duty to exercise reasonable care to protect Buyer, including as to those facts about the Property which are known to Buyer or within Buyer's diligent a en on and observa on. Both Seller and Buyer should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transac on can be complex and subject to change.

i. *Further Disclosures*. Throughout this transac on Buyer and Seller may receive more than one disclosure, depending upon the number of agents assis ng in the transac on. Buyer and Seller should each read its contents each me it is presented, considering the rela onship between them and the real estate agent in this transac on and that disclosure. Buyer and Seller each acknowledge receipt of a disclosure of the possibility of mul ple representa on by the Broker represen ng that principal. This disclosure may be part of a lis ng agreement, buyer representa on agreement or separate document. Buyer understands that Broker represen ng Buyer may also represent other poten al buyers, who may consider, make offers on or ul mately acquire the Property. Seller understands that Broker represen ng Seller may also represent other sellers with compe ng proper es that may be of interest to this Buyer. Brokers have no responsibility with respect to any default or breach hereof by either Party. The Par es agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission rela ng to this transac on may be brought against Broker more than one year a er the Date of Agreement and that the liability (including court costs and a orneys' fees), of any Broker with respect to any breach of duty, error or omission rela ng to this Agreement shall not exceed the fee received by such Broker pursuant to this Agreement; provided, however, that the foregoing limita on on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

a. *ConfidenƟal InformaƟon*. Buyer and Seller agree to iden fy to Brokers as "Confiden al" any communica on or informa on given Brokers that is considered by such Party to be confiden al.

2. **Construc on of Agreement.** In construing this Agreement, all headings and tles are for the convenience of the Par es only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. This Agreement shall not be construed as if prepared by one of the Par es, but rather according to its fair meaning as a whole, as if both Par es had prepared it.

3. **Addi onal Provisions.** See attached addendum.

Addi onal provisions of this offer, if any, are as follows or are a ached hereto by an addendum or addenda consis ng of paragraphs through - (If there are no addi onal provisions write "NONE".) See attached addendum , which is incorporated in this Agreement by reference. Seller shall pay Broker's commission pursuant to a separate agreement between Broker and Seller.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. **SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AGREEMENT.**
2. **RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY. SAID INVESTIGATION SHOULD INCLUDE BUT NOT**

Broker DRE License #: 00409987 Agent's DRE License #: 01450571

Fax:
Email:
AIR CRE * h ps://www.aircre.com * 2136878777 * contracts@aircre.com

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ADDENDUM TO STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

The Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate dated December 7, 2021 (the "**Standard Agreement**"), between Buyer and Seller for the Property, is hereby amended as set forth below. Capitalized terms used in this addendum shall have the same meanings as set forth in the Standard Agreement. If there is any conflict between this Addendum and the Standard Agreement, the terms of this Addendum shall prevail. The Standard Agreement and this Addendum are collectively referred to as the "**Agreement**". This Addendum together with the Standard Agreement itself represents the fully integrated and binding agreement of the parties.

1. **<u>Contingency Period; Business Days</u>**.

a. **<u>Contingency Period</u>**. Notwithstanding any preprinted or handwritten "days" to the contrary contained in the Agreement, the time period applicable for all "Buyer's Contingencies" under the Agreement, shall be from the Date of Agreement until that date which is thirty (30) days following the Date of Agreement (herein, the "**Contingency Period**"). If this Agreement is terminated by Buyer prior to the expiration of the Contingency Period, the Deposit shall be immediately refunded to Buyer.

a. **<u>Business Days</u>**. As used herein, the term "**<u>Business Day</u>**" means any day that is not a Saturday, Sunday or legal holiday for national banks in the city in which the Property is located; provided however, that if the Expected Closing Date is scheduled to occur on a date on which the clerk's office or office of public records and/or Escrow Agent are not open for business as a result of the coronavirus referred to as COVID-19, or, as a direct result of governmental actions taken in connection with such virus, it is otherwise not reasonably feasible for the employees, agents and representatives of Buyer or Seller to consummate Closing on the Expected Closing Date, in which case the Expected Closing Date shall automatically be extended to the next Business Day on which such offices are open for business and it is reasonably feasible for the employees, agents and representatives of Seller and Buyer to consummate Closing.

1. **<u>Representations, Warranties and Covenants</u>**.

a. In addition to the representations and warranties set forth in Section 12 of the Standard Agreement, Seller also represents and warrants to Buyer that (i) Seller is not a party to any leases, tenancy or occupancy agreements affecting the Property except for a lease with an affiliate of Seller that shall terminate on or before the Closing; (ii) there are not any service contracts or other agreements that affect the Property to which Seller is a party except for those Other Agreements delivered to Buyer as provided in the Standard Agreement and the Cannabis Licenses (as defined below), and Seller has neither given nor received any notice of default with respect to any such Other Agreements; (iii) Seller has not granted to any other party any option, rights of first refusal, license or other similar agreement with respect to a purchase or sale of the Property or any portion thereof or any interest therein; (iv) except as provided in the due diligence materials provided by Seller, Seller has not received written notice from any governmental entity alleging that Seller has violated laws, including any environmental laws, with respect to the Property; (v) Seller has not made any contractual or donative commitments relating to the Property to any governmental authority, quasi-governmental authority, utility company, community association, homeowners' association or to any other organization, group, or individual which would impose any obligation upon Buyer to make any contribution or dedication of money or land, or to construct, install or maintain any improvements of a public or private nature on or off the Property; and (vi) to Seller's knowledge, none of its investors,

affiliates or brokers or other agents (if any), acting or benefiting in any capacity in connection with this Agreement is a Prohibited Person. The assets Seller will transfer to Buyer under this Agreement are not the property of, and are not beneficially owned, directly or indirectly, by a Prohibited Person. The assets Seller will transfer to Buyer under this Agreement are not the proceeds of specified unlawful activity as defined by 18 U.S.C. §1956(c)(7). As used herein, "Prohibited Person" means any of the following: (1) a person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing (effective September 24, 2001) (the "**Executive Order**"); (2) a person or entity owned or controlled by, or acting for or on behalf of any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (3) a person or entity that is named as a "specially designated national" or "blocked person" on the most current list published by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") at its official website, http://www.treas.gov/offices/ enforcement/ofac; (4) a person or entity that is otherwise the target of any economic sanctions program currently administered by OFAC; or (5) a person or entity that is affiliated with any person or entity identified in clause (1), (2), (3) and/or (4) above. Seller agrees that during the term of this Agreement, Seller shall not enter into any lease or service contract concerning the Property without the prior consent of Buyer, which consent by Buyer may withhold in its sole discretion.

a. Seller represents and warrants that following the Closing through the end of the survival period for Seller's representations and warranties, it shall maintain access to liquid assets sufficient to cover Seller's post-closing obligations set forth in this Agreement.

a. Seller shall promptly comply with completing Exhibit A and providing the information contained therein.

1. **Property Entry; Insurance**. Notwithstanding anything to the contrary in Section 14 of the Standard Agreement, Buyer's indemnification obligations shall expressly exclude losses arising out of the discovery of pre-existing conditions, the gross negligence or misconduct of Seller, or any diminution in value in the Property arising from, or related to, matters discovered by Buyer during its investigation of the Property which are not exacerbated by Buyer. As a condition precedent to Buyer's right of entry, Buyer shall obtain, keep in force until the Close of Escrow and provide evidence to Seller of comprehensive commercial general liability insurance written on an occurrence basis insuring Buyer and Seller against any liability arising out of Buyer's entry on the Property. Such insurance shall be in an amount of not less than One Million Dollars ($1,000,000) for injury or death of any number of persons in any one (1) accident or occurrence. Insurance required hereunder shall be in companies rated A, VII or better in current edition of "Best's Insurance Guide." Buyer understands that, due to COVID-19 and local health department and State directives, the Buyer's inspections of the Property may be limited if tenants are present. All Property visits and inspections shall comply with all applicable laws, including without limitation, State of California and local COVID-19 inspection protocols, if any. Local jurisdictions may have additional COVID-19 protocols and it is the Buyer's duty to be fully aware of the additional protocols, if any, and to fully comply with any additional COVID-19 requirements and to conduct its activity in a manner so as to prevent exposure of Property personnel or occupants to COVID-19.
2. **Buyer's Remedies on Seller Default**. If Seller defaults in its obligation to sell and convey the Property to Buyer pursuant to this Agreement, Buyer's sole remedy shall be to elect one of the following: (a) to terminate this Agreement, in which event Buyer shall be entitled to the return of the Deposit as well as reimbursement for Buyer's verifiable actual out-of-pocket third party expenses incurred in connection with this transaction (not to exceed $45,000.00), or (b) to bring a suit for specific performance provided that any suit for specific performance must be filed and served within sixty (60) days of Seller's

default and Buyer waives the right to bring suit at any later date. Buyer shall give Escrow Holder and Seller written notice of Buyer's election of such remedy.

3. **Confidentiality**. Prior to the Close of Escrow, Buyer and Seller shall keep the proposed transaction confidential and shall not disclose any such confidential information to any other person or entity other than to such party's employees, representatives, attorneys, accountants, consultants, engineers, partners, investors and lenders. The foregoing shall not be applicable to disclosures as required by law, including without limitation, any disclosure required by the United States Securities and Exchange Commission, and/or disclosures required in connection with any disputes between Buyer and Seller.
4. **Conditions to Closing; Title Insurance**. In addition to the conditions to Closing set forth in the Standard Agreement, Buyer shall not be obligated to close hereunder unless each of the following conditions shall exist on the Expected Closing Date: all of the representations and warranties made by Seller in this Agreement or any of the closing documents shall be true, correct and complete in all material respects on and as of the Closing If any of the foregoing conditions are not satisfied before the Closing, Buyer may, at its option, and in its sole and absolute discretion, (i) waive any such condition which can legally be waived either at the time originally established for Closing and proceed to Closing without adjustment or abatement of the Purchase Price, or (ii) terminate this Agreement by written notice thereof to Seller, in which case the Deposit shall be returned to Buyer, and Buyer and Seller shall each pay one-half of the cancellation charges as to the Property (unless Seller is in breach or default hereunder in which case Seller shall pay the cancellation charges as to the Property), if any, of Escrow Holder and Title Company. In addition to (and notwithstanding) the foregoing, if the failure of the condition is due to a breach by Seller hereunder, Buyer may pursue any of its remedies for a Seller default as provided in **Section 31** above. It shall also be a condition to Closing that Buyer obtain a title insurance policy at Closing. Buyer shall pay any difference in the cost of the premium for a standard CLTA Owner's standard policy of title insurance and any ALTA extended policy or endorsements Buyer elects to obtain.
5. **Initials Not Required**. Notwithstanding the fact that the Standard Agreement includes a place for each party to initial the bottom of each page of the Standard Agreement, neither party shall be required to initial any page of the Standard Agreement in order for this Agreement to be effective. This Agreement shall be effective if both parties execute this Agreement on the signature pages and deliver this Agreement to the other party.
6. **Cannabis Licenses**. Buyer acknowledges that an affiliate of Seller has a cannabis license with the City of Santa Ana (the "**Cannabis License**") and that the Cannabis License will not be part of the Property sold to Buyer pursuant to the Agreement. Seller's affiliate shall retain ownership of the Cannabis License, and in no event shall ownership of the Cannabis License be transferred to Buyer. Buyer acknowledges and agrees that the City of Santa Ana does not allow cannabis licenses to be transferred from the real property associated with such licenses without the City's consent. Accordingly, Buyer agrees to cooperate with Seller (at no cost to Buyer) to allow Seller's licensee affiliate to maintain and associate its Cannabis License with the City of Santa Ana with the Property for a period of up to twelve (12) months after the Closing, as determined and desired by Seller. Such cooperation includes leasing a portion of the Property determined by Buyer to Seller for up to twelve (12) months after the Closing. Any such lease shall be on the current American Industrial Real Estate Association's multi-tenant gross lease for the minimum amount of square footage reasonably required by Seller's affiliate and agreed to by Buyer for $1.00 per month and with such other changes as may reasonably be requested by either Buyer or Seller. Seller shall also provide Buyer at Closing with documentation in form and substance acceptable to the City of Santa Ana as necessary for Seller's affiliate to maintain the Cannabis License.

7. **Sale “As Is”**. The parties acknowledge that Seller does not hereby make, and has not made except as are specifically set forth in the Agreement, any warranties or representations, either expressed or implied, as to the Property’s legal, physical and/or financial condition now or in the future, including but not limited to compliance with any laws, codes, ordinances, rules, regulations or requirements regarding the Property, or in connection with the purchase, ownership, maintenance, leasing, sale, zoning or land use of the Property. Buyer hereby expressly acknowledges that no such representations have been made except as specifically provided in the Agreement. In addition, Seller shall not be liable or bound in any manner for any verbal or written statements, representations, real estate brokers’ “set-ups” or other information pertaining to the Property furnished by any real estate broker, agent, employee or other person unless the same are specifically set forth herein. Buyer hereby acknowledges that it is buying the Property in an “AS-IS” and “WITH ALL FAULTS” condition and is relying solely upon its own inspections, studies and investigations, and if circumstances, conditions or facts turn out differently than Buyer believed, Buyer shall not be relieved of any obligations under the Agreement which shall remain in full force and effect. In the event that, prior to the Close of Escrow, Buyer becomes aware of any fact, circumstance or event relating to the Property and proceeds nevertheless to consummate and close the transaction contemplated by the Agreement notwithstanding Buyer’s knowledge of such fact, circumstance or event, then in such event, Buyer waives and agrees to release and hold harmless Seller from any claims, demands, causes of action, damages, costs or expenses arising out of or relating to such fact, circumstance or event. Buyer shall assume the risk that adverse matters, including, but not limited to, adverse physical and environmental conditions, may not have been revealed by Buyer's inspections and investigations, and by Buyer purchasing the Property and upon the occurrence of the Closing, Buyer waives any and all right or ability to make a claim of any kind or nature against Seller and any representative of Seller for any and all deficiencies or defects in the Property which would be disclosed by such inspection and/or investigation.
8. **Disclosure of California Civil Code Section 1101.5**. Seller discloses that: (a) California Civil Code Section 1101.5(e) provides that, on or before January 1, 2019, all noncompliant plumbing fixtures in any multifamily residential real property and in any commercial real property shall be replaced with water-conserving plumbing fixtures; and (b) the Property may contain certain noncompliant plumbing fixtures. Buyer acknowledges and agrees that Seller shall have no obligation to replace any noncompliant plumbing fixtures prior to the Closing.
9. **No Recorded Memorandum.** Prior to Closing, neither this Agreement nor any memorandum hereof or referenced hereto, shall be filed in any place of public record. Failure of Buyer to comply with this section shall be a material default by Buyer under this Agreement and, at the election of Seller, shall automatically and immediately terminate all of Buyer’s rights under this Agreement.
10. **Post-Closing Limitation of Liability**. In connection with any post-Closing remedy which Buyer may have against Seller for a breach of the Agreement or any of the representations and warranties contained in the Agreement, such remedy shall be limited to the actual damages incurred by Buyer not to exceed two hundred fifty-six thousand dollars ($256,000), all other remedies and damages at law or equity (including, without limitation, any consequential, indirect or punitive damages) being hereby expressly waived by Buyer. In no event shall Buyer seek or attempt to obtain recovery or judgment against any of Seller’s officers, directors, shareholders, representatives, agents, or affiliates or any director, officer, manager, member, employee, shareholder, beneficiary or trustee of any of the foregoing. Notwithstanding anything to the contrary, Seller shall have absolutely no liability whatsoever to Buyer for the breach of any of Seller’s warranties unless such breach results in damage or loss to Buyer greater than $25,000.00.

11. **Buyer's Notice Address**. The following are Buyer's Notice Addresses for this Agreement:

Attention: Email:
AND

Attention: Email:
With copies to:

Attention:
Email:
AND

Attention: Email:
**This notice address shall only be used for legal notices required this Agreement. For the avoidance of doubt, the parties shall not send any correspondence relating to escrow or title matters to this address, subject to the foregoing sentence.

41. **Seller's Notice Address**. The following are Seller's Notice Addresses for this Agreement:
620 Dyer LLC c/o Unrivaled Brands, Inc.
3242 S. Halladay Street, Suite 202
Santa Ana, CA 92705 Attention: Francis Knuettel II Email:
With copies to:
c/o Unrivaled Brands, Inc.
3242 South Halladay Street, #202 Santa Ana, California 92705 Attention: Email:
AND
Wolf, Rifkin, Shapiro, Schulman & Rabkin, LLP
11400 West Olympic Boulevard, 9th Floor Los Angeles, California 90064 Attention: Steven H. Zidell, Esq. Email:

[Signatures follow]

EXHIBIT A

MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (this "**Agreement**") is entered into as of November 17, 2021 (the "**Effective Date**"), by and between NuLeaf, Inc., a Nevada corporation ("**Buyer**"), and Medifarm III, LLC, a Nevada limited liability company ("**Seller**"). Buyer and Seller are each individually referred to herein as a "**Party**" and collectively as the "**Parties**."

R E C I T A L S

A. Seller owns fifty percent (50%) of the outstanding membership interests of NuLeaf Reno Production, LLC (the "**NuLeaf Reno Interests**") and fifty percent (50%) of the outstanding membership interests of NuLeaf Sparks Cultivation, LLC (the "**NuLeaf Sparks Interests**", and together with the NuLeaf Reno Interests, the "**Company Interests**").

B. Buyer and Seller wish to enter into a transaction pursuant to which Buyer will purchase the Company Interests from the Seller upon the terms and conditions set forth herein (the "**Transaction**").

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

AGREEMENT

Section 1. ***Definitions***

*Definitions*Definitions

"**Adverse Consequences**" means any Claim, Order, Lien or Liability and all attorney's fees and other costs, fees and expenses incurred in connection with any of the foregoing.

"**Affiliate**" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act.

"**Agreement**" has the meaning set forth in the preface to this Agreement.

"**Applicable Law**" or "**Applicable Laws**" means any and all laws, ordinances, constitutions, regulations, statutes, treaties, rules, codes, licenses, certificates, franchises, permits, requirements and injunctions adopted, enacted, implemented, promulgated, issued or entered by or under the authority of any Governmental Authority having jurisdiction over a specified Person or any of such Person's properties or assets, including but not limited to the Nevada Cannabis Laws. Notwithstanding the foregoing, neither "Applicable Law" nor "Applicable Laws" shall include the Federal Cannabis Laws.

"**Applications**" means any applications, materials and other correspondences (including, without limitation, attachments, exhibits, variances and appendices) submitted to the CCB, the City of Las Vegas, the City of Reno, the City of Sparks, the City of Incline Village, Clark County, Washoe County or any other Governmental Authority in connection with the Nevada Cannabis Laws.

"**Buyer**" has the meaning set forth in the preface to this Agreement.

"**Buyer Excluded Representations**" has the meaning set forth in Section 8(a)(ii).

"**Buyer Maximum Indemnification Liability**" has the meaning set forth in Section 8(d)(iii).

Buyer Parties" has the meaning set forth in Section 8(b).

Buyer SL Representations" has the meaning set forth in Section 8(a)(ii).

Cannabis Licenses" means the Cultivation Licenses and the Production Licenses.

"**CCB**" has the meaning set forth in the Recitals to this Agreement.

"**Claim**" means any claim, action, cause of action, demand, lawsuit, arbitration, notice of deficiency, audit, charge, notice of violation, compliant, proceeding, injunction, hearing, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**Closing**" has the meaning set forth in Section 2(c).

"**Closing Date**" has the meaning set forth in Section 2(c).

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Company**" or "**Companies**" has the meaning set forth in Section (4)(c) to this Agreement.

"**Company Interests**" has the meaning set forth in the Recitals to this Agreement.

"**Confidential Information**" has the meaning set forth in Section 6(e).

"**Effective Date**" has the meaning set forth in the preface to this Agreement.

"**Enforceability Limitations**" mean (a) bankruptcy, insolvency, reorganization, moratorium or similar Law now or hereafter in effect relating to creditors' rights, (b) the discretion of the appropriate court with respect to specific performance, injunctive relief or other terms of equitable remedies, and (c) limitations regarding the enforceability of contracts in violation of the Federal Cannabis Laws.

"**Federal Cannabis Laws**" means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing, and all laws which are violated as a result of or relating to a violation of the foregoing.

"**GAAP**" means United States generally accepted accounting principles as in effect from time to time, consistently applied.

"**Governmental Authority**" means any federal, state, commonwealth, provincial, municipal, local or foreign government, or any political subdivision thereof, or any court, agency or other entity, body, organization or group, exercising any executive, legislative, judicial, quasi-judicial, regulatory or administrative function of government, or any supranational body, arbitrator, court or tribunal of competent jurisdiction.

Indemnification Notice" has the meaning set forth in Section 8(e).

Indemnified Party" has the meaning set forth in Section 8(e).

Indemnifying Party" has the meaning set forth in Section 8(e).

"**Independent Accountant**" has the meaning set forth in Section 9(a).

"**Knowledge**" means the actual knowledge of any director, senior officer or manager, after due inquiry.

"**Liability**" or "**Liabilities**" means any liability or obligation of whatever kind or nature (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including, without limitation, all losses, damages, dues, penalties, fines, costs and expenses (including court costs and reasonable attorneys' fees and expenses), amounts paid in connection with a settlement, compromise or judgement, and Taxes.

"**Lien**" means any mortgage, pledge, lien (statutory or other), encumbrance, easement, encroachment, right of way, right of first refusal, option, charge, or other security interest.

"**Material Adverse Effect**" or "**Material Adverse Change**" means, with respect to any Person, any effect or change that would be (or would reasonably be expected to be) materially adverse to the business, assets, condition (financial or otherwise), operating results or operations of such Person, or to the ability of such Person to consummate the Transaction contemplated hereby.

"**Nevada Cannabis Laws**" means chapters 678A, 678B, 678C and 678D of the Nevada Revised Statutes, the Nevada Cannabis Compliance Regulations issued by the CCB pursuant thereto, and any additional rules and regulations promulgated by the CCB or any other state, local or county Governmental Authority with respect to cannabis.

"**NuLeaf Reno**" means NuLeaf Reno Production, LLC, a Nevada limited liability company.

“**NuLeaf Sparks**” means NuLeaf Sparks Cultivation, LLC, a Nevada limited liability company.

“**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.

“**Party**” or “**Parties**” has the meaning set forth in the preface to this Agreement.

“**Permit**” means any permit, license, franchise certificate, consent, accreditation or other authorization of a Governmental Authority, including without limitation the Cannabis Licenses and all other state and local licenses necessary to lawfully operate within the State of Nevada and its local jurisdictions.

“**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business entity, or a governmental entity (or any department, agency, or political subdivision thereof).

“Pre-Closing Financial Statements” has the meaning set forth in Section 5(c).

Post-Closing Straddle Period” has the meaning set forth in Section 9(c).

Pre-Closing Straddle Period” has the meaning set forth in Section 9(c).

Pre-Closing Tax Periods” has the meaning set forth in Section 9(a).

“**Purchase Price**” has the meaning set forth in Section 2(b).

“**Representative**” means any director, officer, shareholder, manager, member, partner, principal, employee, contractor, attorney, accountant, agent or other representative of any Person.

“**Securities Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Seller**” has the meaning set forth in the preface to this Agreement.

“**Seller Releasing Parties**” has the meaning set forth in Section 11(s)(i).

“**Seller’s Excluded Representations**” has the meaning set forth in Section 8(a)(i).

“**Seller’s Fundamental Representations**” has the meaning set forth in Section 8(a)(i).

“**Seller Maximum Indemnification Liability**” has the meaning set forth in Section 8(d)(ii).

“**Seller SL Representations**” has the meaning set forth in Section 8(a)(i).

“**Party**” or “**Parties**” means Buyer and Seller.

“**Straddle Period**” has the meaning set forth in Section 9(c).

“**Tax**” or “**Taxes**” means any federal, state, local, or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not and including any obligations to indemnify or otherwise assume or succeed to the Tax Liability of any other Person.

“**Tax Dispute**” has the meaning set forth in Section 9(a).

“**Tax Matter**” has the meaning set forth in Section 9(f).

“**Tax Return**” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Third-Party Claim**” has the meaning set forth in Section 8(e).

“**Threshold**” has the meaning set forth in Section 8(d)(i).

“**Transaction**” has the meaning set forth in the Recitals to this Agreement.

Transaction Documents” means this Agreement and all other documents or agreements executed in connection with the Transaction.

“**Transfer Fees**” has the meaning set forth in Section 6(g).

“**Treasury Regulation**” means the United States Treasury regulations promulgated under the Code.

Section 2. *Purchase and Sale of Company Interests*.

a. *Basic Transaction*. On and subject to the terms and conditions of this Agreement, Buyer agrees to purchase from the Seller, and the Seller agrees to sell to Buyer, all of the Company Interests, free and clear of any Liens, for the consideration specified in this Section 2.

b. *Consideration*. As consideration for the sale, conveyance, transfer, assignment and delivery of the Company Interests by the Seller, and subject to adjustment as provided in this Agreement, on the Closing Date Buyer shall pay Seller aggregate consideration of Six Million Five Hundred Thousand Dollars ($6,500,000) in immediately available funds (the "**Purchase Price**").

a. *Closing*. The closing of the Transaction (the "**Closing**") will take place remotely via the electronic exchange of documents and signatures as soon as practicable following the satisfaction or waiver of the applicable conditions set forth in Section 7, or on such other date as Buyer and the Seller may mutually determine in writing (the "**Closing Date**"). The Closing will be deemed to have occurred at 11:59 p.m., Eastern Standard Time, on the Closing Date.

a. *Deliveries at Closing*. At the Closing: (i) the Seller shall deliver to Buyer the various certificates, instruments, and documents referred to in Section 7(a), and (ii) Buyer shall deliver to the Seller the Purchase Price (as adjusted in accordance with the terms hereof) and the various certificates, instruments, and documents referred to in Section 7(b).

a. *Withholding*. Buyer shall be entitled to deduct and withhold from the Purchase Price all Taxes that Buyer may be required to deduct and withhold under any provision of Applicable Law. All such withheld amounts shall be treated as delivered to the Seller hereunder.

Section 3. *Representations and Warranties of Buyer*. Buyer represents and warrants to the Seller that the statements contained in this Section 3 are correct and complete as of the Effective Date and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the Effective Date throughout this Section 3).

a. *Organization*. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Nevada. Buyer has full corporate power and authority to conduct its business as presently being conducted and to own and lease its properties and assets.

a. *Authorization of Transaction*. Buyer has full corporate power and authority and has taken all action necessary to authorize, execute and deliver the Transaction Documents and to perform its obligations thereunder, except as may be limited by the Enforceability Limitations. The Transaction Documents to which it is a party have been duly executed and delivered by Buyer and constitute legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms, except as such enforcement may be limited by the Enforceability Limitations.

a. *No Conflict or Violation*. The execution and delivery of the Transaction Documents, the consummation of the Transactions and the performance by Buyer of its obligations thereunder do not, and will not, result in or constitute: (i) a violation of or a conflict with any provision of the organizational documents of Buyer, (ii) a breach of, a loss of rights under, or constitute an event, occurrence, condition or act which is or, with the giving of notice, the lapse of time or the happening of any future event or condition, would become, a material default under, any term or provision of any contract or agreement to which Buyer is a party, or (iii) a violation by Buyer of any Applicable Law.

b. *Consents and Approvals*. Except as otherwise set forth herein, no consent, approval or authorization of, or declaration, filing or registration with, any third party is required to be made or obtained by Buyer in connection with the execution, delivery and performance of the Transaction Documents and the consummation of the Transaction.

a. *Brokers' Fees*. Buyer does not have any Liability to pay any fees or commissions to any broker, finder, or agent with respect to the Transactions. Buyer is responsible for the entire amount of Liabilities owed to Buyer's Broker in connection with the Transactions.

Section 4. *Representations and Warranties of Seller*. Seller represents and warrants to Buyer that the statements contained in this Section 4 are correct and complete as of the Effective Date and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the Effective Date of this Agreement throughout this Section 4), subject only to matters expressly permitted herein.

a. *Organization*. The Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Nevada. The Seller is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required. The Seller has full limited liability company power and authority to conduct its business as

presently being conducted and to own and lease its properties and assets and, subject only to the terms and conditions of this Agreement, to consummate the Transactions.

a. *Authorization of Transaction*. The Seller has full limited liability company power and authority and has taken all action necessary to authorize, execute and deliver this Agreement and to perform its obligations hereunder, except as may be limited by the Enforceability Limitations. This Agreement has been duly executed and delivered by each Seller and constitutes a legal, valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms, except as such enforcement may be limited by the Enforceability Limitations.

a. *No Conflict or Violation*. The execution and delivery of this Agreement, the consummation of the Transactions, and the performance by the Seller of its obligations hereunder do not, and will not, result in or constitute: (i) a violation of or conflict with any provision of the organizational or other governing documents of the Seller, (ii) a breach of, a loss of rights under, or an event, become, a material default under, or result in the acceleration of any obligations under, any term or provision of any material contract, or a violation by Seller of any Applicable Law, or (iii) an imposition of any Lien (other than a Permitted Liens) on any of the Company Interests or any asset of NuLeaf Reno and NuLeaf Sparks. NuLeaf Reno and NuLeaf Sparks are each individually referred to herein as a "**Company**" and collectively as the "**Companies**."

a. *Consents and Approvals*. Subject to the satisfaction of all conditions precedent hereunder to transfer the Company Interests to Buyer on the Closing Date (i) the Seller has, or will have on or before the Closing Date, the full and unrestricted power to sell, convey, assign, transfer and deliver the Company Interests to Buyer on the Closing Date, and (ii) no consent, approval or authorization of, or declaration, filing or registration with, any Person is required to be made or obtained by the Seller or either Company in connection with the execution, delivery and performance of this Agreement and the consummation of the Transactions, or will be necessary to ensure the continuing validity and effectiveness immediately following the Closing of any Permit or material contract of either Company.

a. *Ownership Free and Clear*. The Seller owns the Company Interests free and clear of any restrictions on transfer (other than any restrictions under Securities Laws), Taxes and Liens. The Company Interests have been duly authorized, validly issued in compliance with applicable securities laws and are fully paid and nonassessable.

a. *Brokers' Fees*. The Seller does not have any Liability to pay any fees or commissions to any broker, finder, or agent with respect to the Transactions.

a. *Pre-Closing Financial Statements*. The Pre-Closing Financial Statements (as defined herein) have been prepared in accordance with GAAP, present fairly the financial condition of each of NuLeaf Reno and NuLeaf Sparks as of such dates and the results of operations of NuLeaf Reno and NuLeaf Sparks for such periods, are correct and complete, and are consistent with the books and records of NuLeaf Reno and NuLeaf Sparks (which books and records are correct and complete); provided, however, that the Pre-Closing Financial Statements do not contain notes and are subject to normal year-end adjustments (which will not be material individually or in the aggregate).

Section 5. *Pre-Closing Covenants*. The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing:

a. *General*. Each of the Parties will use his, her, or its reasonable best efforts to take all actions and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the Closing conditions set forth in Section 7).

a. *Permits, Notices and Consents*.

i. In connection with the Transaction, (A) each Seller and each Company shall, within five (5) business days of the Effective Date, or as soon thereafter as practicable, submit a written change of ownership and control request to the CCB and similar requests to the cities of Reno and Sparks and Washoe county, as necessary, for a change of ownership of the associated Permits, relaying to such Governmental Authorities that Buyer will become the one hundred percent (100%) "owner" of the Companies pursuant to this Agreement; (B) the Seller and each Company shall cooperate with all Governmental Authorities in filing any and all necessary documentation to accomplish change of ownership and control contemplated herein; and (C) each Party will take all steps necessary to affect such change of ownership and control, all as required under the Nevada Cannabis Laws.

i. Without limiting the provisions of Section 5(b)(i), each Party will cooperate with the other Parties and: (A) promptly take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement, the ancillary documents referenced in this Agreement and Applicable Law to consummate and make effective the Transaction, including responding to any informational requests, supplemental disclosure requirements, or other correspondence from the CCB and, to the extent permitted by the CCB, keep all other Parties hereto fully and promptly informed as to any such requests, requirements, or correspondence, preparing and filing all documentation notices, petitions, statements, registrations, submissions of information, applications and other documents, (B) use commercially reasonable efforts to obtain all approvals, consents, registrations, Permits, authorizations and other confirmations required to be obtained from any third party and/or Governmental Authority necessary, proper or advisable to consummate the Transaction, and (C) execute and deliver such documents, certificates and other papers as a Party may reasonably request to evidence another Party's satisfaction of its obligations hereunder. Subject to Applicable Laws relating to the exchange of information, the Parties will have the right to review in advance, and, to the extent practicable, each will consult the others on, any information relating to the Seller, the Companies and/or their Affiliates, on the one hand, or Buyer and its Affiliates, on the other hand, that appears in any filing made with, or written materials submitted to, any third party and/or any Governmental Authority in connection with the Transaction.

a. Pre-Closing Financial Statements. The Seller shall deliver to Buyer within thirty (30) days of the end of each calendar month, a true and complete unaudited balance sheet and statement of income, change in member's equity, and cash flow, for each of NuLeaf Reno and NuLeaf Sparks for the immediately preceding calendar month, prepared in accordance with GAAP as adjusted for intercompany eliminations); provided, however, that the Pre-Closing Financial Statements shall not contain notes and are subject to normal year-end adjustments (which will not be material individually or in the aggregate) (the "**Pre-Closing Financial Statements**").

Section 6. *Post-Closing Covenants*. The Parties agree as follows with respect to the period following the Closing:

a. *General*. In case at any time after the Closing any further actions are necessary or desirable to carry out the purposes of this Agreement, each of the Parties will take such further actions (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under Section 8). Without limiting the generality of the foregoing, to the extent that any additional filings are required by the CCB or any other Governmental Authority in connection with the change of ownership of either Company, Buyer and the Seller shall cooperate to prepare and make such filings within the time period required by such Governmental Authority.

a. *Litigation Support*. In the event and for so long as any Party is actively contesting or defending against a third party any Claim in connection with: (i) the Transaction or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction occurring on or prior to the Closing Date involving either Company, each of the other Parties will: (i) cooperate with the Party (and such Party's counsel) contesting or defending such third party Claim; (ii) make available its personnel; and (iii) provide such testimony and access to its books and records as shall be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under Section 8). Any information shared by a Party pursuant to this Section 6(b) shall be the Confidential Information of the disclosing Party, and shall not be used or disclosed by the receiving party, its Affiliates or any of their respective Representative for any reason except to the extent necessary to contest or defend the applicable Claim. The disclosing Party may condition the disclosure of any confidential information provided pursuant to this Section 6(b) upon receipt of an Order from a Governmental Authority or other assurance from the recipient of such information that confidential treatment will be accorded to such information.

a. *Non-Disparagement*. Each Party covenants and agrees that it will not make, or permit its Affiliates or any of their respective Representatives, successors or assigns to make, any false, misleading, derogatory or disparaging statements concerning the other Parties, their Affiliates, or any of their respective Representatives, successors or assigns. Nothing in this Section 6(c) shall limit a Party's, its Affiliates' or any of their respective Representatives' ability to make true and accurate statements or

communications in connection with any disclosure such Party, Affiliate or Representative is required pursuant to Applicable Law (including without limitation pursuant to any Securities Law or securities exchange rule or regulation).

a. *Transition*. The Seller shall not, and shall cause its Affiliates and all of their respective Representatives not to, take any action that is designed or intended to have the effect of discouraging any lessor, licensor, contractor, customer, supplier, or other business associate of either Company from maintaining the same business relationships with such Company after the Closing as it maintained with such Company prior to the Closing.

a. *Confidentiality*. Seller has had access to, and has gained knowledge with respect to, confidential and proprietary information of the Companies, including without limitation, trade secrets, existing or prospective product offerings, processes and formulas, know-how and other operating information, existing or prospective customers, suppliers and vendors and historical and current financial statements, financial projections and budgets (the "**Confidential Information**"). Seller acknowledges that unauthorized disclosure or misuse of the Confidential Information, whether before or after the Closing, could cause irreparable damage to each Company, Buyer and/or Buyer's Affiliates after to the Closing. The Parties also agree that covenants by Seller not to make unauthorized disclosures of the Confidential Information are essential to the growth and stability of either Company's and Buyer's and its other Affiliates businesses after Closing. Accordingly, Seller agrees that, beginning on the Closing Date and continuing until the one (1) year anniversary of the Closing Date, it will not, and will cause its Affiliates and all of their respective Representatives not to, use or disclose any Confidential Information obtained in the course of their past ownership or other connection with either Company. Notwithstanding the foregoing, Seller, its Affiliates and all of their respective Representatives may disclose the Confidential Information to the extent required by Applicable Law or any Governmental Authority, or in connection with the defense or enforcement of Seller's rights and obligations under this Agreement, or to the extent such Confidential Information becomes publicly available through no breach of this Agreement or other fault of the Seller, its Affiliates or any of their respective Representatives. If Seller, an Affiliate of Seller or any of their respective Representatives is requested or required by Applicable Law or Governmental Authority to disclose any Confidential Information, such Person will notify Buyer promptly of the request or requirement so that Buyer may seek an appropriate protective Order at its sole expense or waive compliance with the provisions of this Section 6(e). If in the absence of a protective Order or the receipt of a waiver hereunder, such Person is, on the advice of counsel, compelled to disclose any Confidential Information to any Governmental Authority or else stand liable for contempt, such Person may disclose such Confidential Information to such Governmental Authority; provided, however, that the disclosing party will use commercially reasonable efforts to obtain, at the request and sole expense of Buyer, an Order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Buyer may designate.

a. *Injunctive Relief*. Seller acknowledges and agrees that: (i) a remedy at law for failure to comply with its covenants contained in this Agreement may be inadequate; and (ii) Buyer will be entitled to seek from a court having jurisdiction, in its sole discretion, specific performance, an injunction, a restraining Order or any other equitable relief in order to enforce any such provision without the need to post a bond. The right to obtain such equitable relief will be in addition to any other remedy to which Buyer is entitled under Applicable Law (including, but not limited to, monetary damages). Each Party acknowledges that it has had an opportunity to consult with counsel regarding this Agreement, has fully and completely reviewed this Agreement with such counsel and fully understands the contents hereof. Seller agrees that the territorial, time and other limitations contained in this Agreement are reasonable and properly required for the adequate protection of the business and affairs of Buyer, and in the event that any one or more of such territorial, time or other limitations is found to be unreasonable by a court of competent jurisdiction, Seller agrees to submit to the reduction of said territorial, time or other limitations to such an area, period or otherwise as the court may determine to be reasonable. In the event that any limitation under this Agreement is found to be unreasonable or otherwise invalid in any jurisdiction, in whole or in part, Seller acknowledges and agrees that such limitation will remain and be valid in all other jurisdictions.

a. *Transfer Fees and Taxes*. All transfer, documentary, sales, use, stamp, registration, value added, change of control and application costs, fees and/or Taxes (including any penalties and interest) incurred, imposed or assessed in connection with the Transaction and the documents and agreements to be delivered hereunder ("**Transfer Fees**") shall be borne fifty percent (50%) by Seller and

fifty percent (50%) by Buyer. Buyer shall timely pay any Transfer Fees and timely file any Tax Return or other document with respect to such costs, fees and/or Taxes (and Seller shall, and shall cause each Company to, cooperate with respect thereto as necessary). Upon payment in full of any Transfer Fees by Buyer, the Purchase Price shall be reduced by fifty percent (50%) of the amount of such Transfer Fees paid by Buyer.

Section 7. *Conditions to Obligation to Close*.

a. *Conditions to Buyer's Obligation*. Buyer's obligation to consummate the Transactions is subject to satisfaction of the following conditions:

i. The representations and warranties of Seller set forth in Section 4 shall be true and correct in all material respects at and as of the Closing Date, except to the extent that such representations and warranties are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case such representations and warranties (as so written, including the term "material" or "Material") shall be true and correct in all respects at and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

i. Seller shall have performed and complied in all material respects with all of their respective covenants hereunder that are required to be performed or complied with at or prior to Closing, except to the extent that such covenants are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case Seller shall have performed and complied with all of such covenants (as so written, including the term "material" or "Material") in all respects at or prior to Closing;

i. The Parties shall have obtained all regulatory approvals necessary to consummate the Transaction, including, without limitation, approval from the CCB and such other Governmental Authorities as may be required to approve the transfer of ownership of the Companies to Buyer;

i. The Transaction shall have been approved by the managers/members, as applicable, of the Seller;

i. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Order which is in effect and has the effect of: (A) making the Transaction contemplated by this Agreement or any part thereof illegal (excepting illegality arising out of the Federal Cannabis Laws); (B) restraining or prohibiting consummation of the Transaction or any part thereof; (C) or causing the Transaction or any part thereof to be rescinded following consummation;

i. The Seller shall have delivered to Buyer a certificate., executed by or on behalf of Seller, representing that each of the conditions specified in Section 8(a)(i), Section 8(a)(ii) and Section 8(a)(iii) above are satisfied in all respects as of the Closing Date;

i. Buyer shall have received, free and clear of all Liens, an assignment with respect to the Company Interests, in each case in form and substance satisfactory to Buyer in its reasonable discretion;

i. From the Effective Date, there shall not have occurred any Material Adverse Effect or Material Adverse Change to either Company or its businesses, or to Seller's or either Company's ability to consummate the Transaction, nor shall any event or series or related events have occurred that, individually or in the aggregate, with or without the lapse of time, would reasonably be expected to result in a Material Adverse Effect or Material Adverse Change to either Company or its businesses taken as a whole, or any Seller's or either Company's ability to consummate the Transaction;

ii. The transactions (the "**Merger Transactions**") contemplated by that certain Agreement and Plan of Merger of even date herewith by and among Jushi Holdings Inc., certain subsidiaries of Jushi Holdings Inc., NuLeaf Capital Investors Group, LLC, NuLeaf Operators, LLC, NuLeaf CLV Capital Investors, LLC, Buyer and NuLeaf CLV Inc., shall have been consummated;

i. No Claim involving Seller shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or non-U.S. jurisdiction or before any arbitrator wherein an unfavorable Order would: (A) prevent consummation of any of the Transaction or any part thereof; or (B) cause the Transaction or any part thereof to be rescinded following consummation; and

i. All other actions to be taken by Seller in connection with consummation

of the Transaction and all certificates, opinions, instruments, and other documents required to effect the Transaction shall be delivered to Buyer, and shall be in form and substance satisfactory to Buyer in its reasonable discretion.

Buyer may waive any condition specified in this Section 7(a) if it executes a writing so stating at or prior to the Closing.

a. *Conditions to Seller's Obligation*. The obligation of Seller to consummate the Transaction is subject to satisfaction of the following conditions:

i. The representations and warranties of Buyer set forth in Section 3 shall be true and correct in all material respects at and as of the Closing Date, except to the extent that such representations and warranties are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case such representations and warranties (as so written, including the term "material" or "Material") shall be true and correct in all respects at and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

i. Buyer shall have performed and complied in all material respects with all of Buyer's covenants hereunder that are required to be performed or complied with at or prior to Closing, except to the extent that such covenants are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case Buyer shall have performed and complied with all of such covenants (as so written, including the term "material" or "Material") in all respects at or prior to Closing,

i. The Transaction shall have been approved by the Board of Directors of Buyer;

ii. The Parties shall have obtained all regulatory approvals necessary to consummate the Transaction, including, without limitation, approval from the CCB and such other Governmental Authorities as may be required to transfer ownership of the Cannabis Licenses and all other Permits from each Company to Buyer;

i. No Claim involving Buyer shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or non-U.S. jurisdiction or before any arbitrator wherein an unfavorable Order would: (A) prevent consummation of any of the Transaction or any part thereof; or (B) cause the Transaction or any part thereof to be rescinded following consummation;

i. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Order which is in effect and has the effect of: (A) making the Transaction contemplated by this Agreement or any part thereof illegal (excepting illegality arising out of the Federal Cannabis Laws); (B) restraining or prohibiting consummation of the Transaction or any part thereof; (C) or causing the Transaction or any part thereof to be rescinded following consummation;

i. Buyer shall have delivered to the Seller a certificate, executed by Buyer, representing that each of the conditions specified in Section 8(b)(i), Section 8(b)(ii), Section 8(b)(iii) and Section 8(b)(iv) above are satisfied in all respects as of the Closing Date;

i. Buyer shall have delivered the Purchase Price to Seller;

ii. All actions to be taken by Buyer in connection with consummation of the Transaction and all certificates, opinions, instruments, and other documents required to effect the Transaction will be delivered to the Seller and in form and substance reasonably satisfactory to the Seller;

Seller may waive any condition specified in this Section 7(b) if it execute a writing so stating at or prior to the Closing.

Section 8. *Remedies for Breaches of This Agreement*.

a. *Survival of Representations and Warranties*.

i. The Parties, intending to shorten the applicable statute of limitation period, agree that all representations and warranties of Seller contained in Section 4 of this Agreement will survive until the first (1st) anniversary of the Closing Date (or, in the case of termination, the effective date of such termination); except that the representations and warranties in Section 4(a) (*Organization*), Section 4(b) (*Authorization of Transaction*), Section 4(e) (*Free and Clear*), Section 4(f) (*Brokers' Fees*) (collectively, the "**Seller's Fundamental Representations**") will survive indefinitely, and the representations and warranties made in Section 4(c) (*No Conflict or Violation*); and Section 4(d)

(*Consents and Approvals*) (collectively, the "**Seller SL Representations**" and together with Seller's Representations, the "**Seller's Excluded Representations**") will survive the Closing Date (or, in the case of termination, the effective date of such termination) until sixty (60) days following the expiration of all applicable statutes of limitations (giving effect to any waiver, or extension thereof). All covenants and agreements made by Seller contained in this Agreement that by their nature contemplate survival beyond the Closing Date or termination of this Agreement (including the indemnification obligations set forth in this Section 8) will survive the Closing Date (or, in the case of termination, the effective date of such termination) until fully performed or discharged. Any Claim by Buyer for a breach of a representation, warranty or covenant by Seller contained in this Agreement must be delivered to the Seller in writing prior to the applicable expiration date set forth in this Section 8(a), and if not so delivered shall be irrevocably barred. All of the representations and warranties of Seller contained in this Agreement will not be limited or diminished in any respect by any past or future inspection, investigation, examination or possession on the part of Buyer, its Affiliates or any of their respective Representatives. Notwithstanding the foregoing or anything contained herein to the contrary, any Claim by Buyer based on a Seller's, their Affiliates' or any of their respective Representatives' fraud will survive indefinitely.

i. The Parties, intending to shorten the applicable statute of limitation period, agree that all representations and warranties of Buyer contained in Section 3 of this Agreement will survive until the first (1st) anniversary of the Closing Date (or in the event of termination, the effective date of such termination); except that the representations and warranties in Section 3(a) (*Organization*), Section 3(b) (*Authorization of Transaction*), Section 3(e) (*Brokers' Fees*) (collectively, the "**Buyer Excluded Representations**") will survive indefinitely, and the representations and warranties made in Section 3(c) (*No Conflict or Violation*), Section 3(d) (*Consents and Approvals*) (collectively, the "**Buyer SL Representations**") will survive the Closing Date (or, in the case of termination, the effective date of such termination) until sixty (60) days following the expiration of all applicable statutes of limitations (giving effect to any waiver, or extension thereof). All covenants and agreements made by Buyer contained in this Agreement that by their nature contemplate survival beyond the Closing Date or termination of this Agreement (including the indemnification obligations of Buyer set forth in this Section 8) will survive the Closing Date (or, in the case of termination, from the effective date of such termination) until fully performed or discharged. Any Claim by the Seller for a breach of a representation, warranty or covenant by Buyer contained in this Agreement must be delivered in writing to Buyer prior to the above-referenced applicable expiration date, and if not so delivered shall be irrevocably barred. Notwithstanding the foregoing or anything contained herein to the contrary, any Claim by the Seller based on Buyer's, its Affiliates or any of their respective Representatives' fraud will survive indefinitely.

i. Written notice of any Claim for breach of representation, warranty or covenant delivered to the Party against whom such indemnification is sought prior to the above referenced applicable expiration date will survive thereafter and, as to any such Claim, such expiration, if any, will not affect the rights to indemnification under this Section 8 of the Party bringing such Claim.

a. *Indemnification by Seller*. In the event a Seller or a Company breaches (or in the event any third party alleges facts that, if true, would mean a Seller has breached) any of its representations, warranties or covenants contained herein, and provided Buyer provides the Seller with timely written notice of a Claim for which Buyer is seeking indemnification pursuant to Section 8(a)(i) hereof, Seller shall be obligated to indemnify, defend and hold Buyer, its Affiliates and all their respective Representatives (collectively, the "**Buyer Parties**") harmless from and against the entirety of any Adverse Consequences a Buyer Party may suffer (including any Adverse Consequences a Buyer Party may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by such breach (or alleged breach), subject to Section 8(d) below. For the avoidance of doubt, this Section 8(b) shall survive the Closing (or, in the case of termination, the effective date of such termination).

a. *Indemnification by Buyer*. In the event Buyer breaches (or in the event any third party alleges facts that, if true, would mean Buyer has breached) any of its representations, warranties or covenants contained herein, and provided the Seller provides Buyer with timely written notice of a Claim for which Seller is seeking for indemnification pursuant to Section 8(a)(ii) hereof, Buyer shall be obligated to indemnify, defend and hold Seller harmless from and against the entirety of any Adverse Consequences Seller may suffer (including any Adverse Consequences such Seller may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused

by the breach (or alleged breach). For the avoidance of doubt, this Section 8(c) shall survive the Closing (or, in the case of termination, the effective date of such termination).

a. *Limitations on Indemnification*.

i. For purposes of this Section 8(d), the term "**Threshold**" means a dollar amount equal to $65,000.

i. No Seller shall be liable for any Adverse Consequences pursuant to Section 8(b) until the aggregate amount of all Adverse Consequences suffered by the Buyer Parties exceeds the Threshold, in which case, subject to Seller Maximum Indemnification Liability, the Buyer Parties will be entitled to recover all Adverse Consequences paid, incurred, suffered or sustained by the Buyer Parties (including, for the avoidance of doubt, the Threshold amount). For purposes hereof, the "**Seller Maximum Indemnification Liability**" shall be equal to fifty percent (50%) of the Purchase Price. Notwithstanding the foregoing, with respect to any Claim by Buyer Party arising out of, relating to, in the nature of, or caused by: (A) the Seller's Excluded Representations; or (B) a Seller's, their Affiliates' or any of their respective Representatives' intentional misrepresentation or fraud, the Seller shall be responsible for all Adverse Consequences without application of the Threshold up to a maximum amount equal to one hundred percent (100%) of the Purchase Price.

ii. Buyer shall not be liable for any Adverse Consequences pursuant to Section 8(c) until the aggregate amount of all Adverse Consequences suffered by the Seller exceeds the Threshold, in which case, subject to the Buyer Maximum Indemnification Liability, the Seller will be entitled to recover all Adverse Consequences paid, incurred, suffered or sustained by the Seller (including, for the Threshold amount). For purposes hereof, the "**Buyer Maximum Indemnification Liability**" shall be equal to fifty percent (50%) of the Purchase Price. Notwithstanding the foregoing, with respect to any Claim by the Seller arising out of, relating to, in the nature of, or caused by: (A) a Buyer Excluded Representation, or (B) Buyer's, its Affiliates' or any of their respective Representatives' intentional misrepresentation or fraud, Buyer shall be responsible for all Adverse Consequences without application of the Threshold up to a maximum amount equal to one hundred percent (100%) of the Purchase Price.

b. *Notification of Claims*. In the event that any Person (the "**Indemnified Party**") becomes entitled to indemnification pursuant to this Agreement, the Indemnified Party may deliver to the Party responsible for the indemnification (the "**Indemnifying Party**") a signed certificate (an "**Indemnification Notice**"), which certificate will: (i) state that a Claim for indemnification is being made; (ii) specify the section(s) of this Agreement that have been breached by the Indemnifying Party or any other Person for whom the Indemnifying Party is responsible to provide indemnification hereunder, (iii) state that Adverse Consequences have occurred or are reasonably likely to occur; and (iii) to the extent possible, specify in reasonable detail each individual Adverse Consequence including the amount thereof and the date such Adverse Consequence was incurred. In addition, each Indemnified Party will give notice to the Indemnifying Party promptly following its receipt of service of any Claim initiated by an unaffiliated third party which pertains to a matter for which indemnification may be sought hereunder (a "**Third-Party Claim**"); provided, however, that the failure to give such notice will not relieve the Indemnifying Party of its obligations hereunder if the Indemnifying Party has not been prejudiced thereby.

a. *Defense of Third-Party Claims*.

i. An Indemnifying Party will have the right to defend the Indemnified Party against the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party so long as: (A) the Indemnifying Party notifies the Indemnified Party in writing within fifteen (15) days after the Indemnified Party has given notice of the Third-Party Claim that the Indemnifying Party will indemnify the Indemnified Party from and against the entirety of any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim; (B) the Indemnifying Party provides the Indemnified Party with evidence reasonably acceptable to the Indemnified Party that the Indemnifying Party will have the financial resources to defend against the Third-Party Claim and fulfill its indemnification obligations hereunder; (C) the Third-Party Claim involves only money damages and does not seek an injunction or other equitable relief; (D)

settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to establish a precedential custom or practice materially adverse to the continuing business interests or the reputation of the Indemnified Party or its Affiliates; (E) the Indemnifying Party conducts the defense of the Third-Party Claim with reasonable diligence; and (F) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to result in criminal proceedings against the Indemnified Party or its Affiliates.

i. So long as the Indemnifying Party is conducting the defense of the Third- Party Claim in accordance with Section 8(f)(i): (A) the Indemnified Party may retain separate co-counsel at his, her, or its sole cost and expense and participate in the defense of the Third-Party Claim; (B) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld, conditioned or delayed); and (C) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) and without the Indemnified Party receiving an unconditional release of such Third-Party Claims.

ii. In the event any of the conditions in Section 8(f)(i) above is or becomes unsatisfied, however: (A) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (provided that the Indemnified Party shall consult with the Indemnifying Party with respect to the defense of the Third-Party Claim, and shall not agree to any settlement thereof without the consent thereto of the Indemnifying Party, such consent not to be un reasonably withheld, conditioned or delayed); (B) the Indemnifying Party will reimburse the Indemnified Party promptly and periodically for the costs of defending against the Third-Party Claim (including reasonable attorneys' fees and expenses); and (C) the Indemnifying Party will remain responsible for any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Section 8.

a. *Direct Claims*. In the event of a Claim for indemnification under this Agreement for which an Indemnified Party has provided notice of such Claim to an Indemnifying Party under this Section 8 (but excluding any Third-Party Claim) and the Indemnifying Party receiving such notice disputes all or any part of such Claim, then Buyer and Seller will first attempt to resolve such Claim through direct negotiations in good faith. No settlement reached in such negotiations under this Section 8(g) will be binding until reduced to a writing signed by all of the applicable Parties. If the dispute is not resolved within twenty (20) business days after the date of delivery of such Claim, then such dispute will be resolved in accordance with Section 11(c). Nothing in this Section 8(g) will prevent any Party from seeking injunctive or other equitable relief in accordance with this Agreement.

a. *Other Indemnification Matters*.

b. All indemnification payments made pursuant to this Section 8 will be treated as an adjustment to the Purchase Price unless otherwise required by Applicable Law.

i. The foregoing indemnification provisions are in addition to, and not in derogation of, any statutory, equitable, or common law remedy any Party may have with respect to the Transaction.

i. Seller hereby agrees that Seller will not make any demand for indemnification, reimbursement, contribution or any other amount whatsoever from either Company in connection with Seller's indemnification obligations set forth in this Section 8, and neither Company shall have any obligation to indemnify, reimburse, contribute or pay any amount to any Seller or any other Person in connection with Seller's indemnification obligations under this Section 8.

Section 9. *Tax Matters*. The following provisions shall govern the allocation of responsibility as between Buyer and Seller for certain tax matters following the Closing Date:

a. The Seller will prepare or cause to be prepared and will file or cause to be filed all Tax Returns for each Company for all Tax periods ending prior to the Closing Date (the "**Pre-Closing Tax Periods**"). Each Tax Return referred to in this Section 9(a) will be prepared in a manner consistent with past practices of the applicable each Company and without a change of any election, accounting method or convention (in each case except as otherwise required by

Applicable Law). At least thirty (30) days prior to the date on which each such Tax Return is due (with applicable extensions), the Seller will submit such Tax Return to Buyer for review, and comment, and approval (not to be unreasonably withheld, conditioned or delayed). Buyer will provide any written comments to the Seller no later than fifteen (15) days after receiving any such Tax Return and, if Buyer does not provide any written comments within fifteen (15) days, Buyer will be deemed to have accepted such Tax Return. Seller and the Buyer will attempt in good faith to resolve any dispute with respect to any such Tax Return. If Buyer and the Seller are unable to resolve any such dispute at least five (5) days before the due date (with applicable extensions) for any such Tax Return ("**Tax Dispute**"), the matter will be referred to an impartial nationally recognized firm of independent certified public accountants as may be mutually selected by Buyer and Seller (the "**Independent Accountant**"). The Independent Accountant may, in its discretion, obtain the services of any third party necessary to assist it in resolving the Tax Dispute. The Seller and Buyer shall instruct the Independent Accountant to furnish notice to each the Seller and Buyer of its resolution of the Tax Dispute as soon as practicable, but in any event no later than 30 calendar days after its acceptance of the matter for resolution. Any such resolution by the Independent Accountant will be binding on the Parties and the Seller and Buyer shall take, or cause to be taken, any action necessary to implement the resolution. All fees and expenses of the Independent Accountant shall be borne fifty percent (50%) by the Seller and fifty percent (50%) by the Buyer.

b. Buyer will prepare or cause to be prepared and will file or cause to be filed all Tax Returns of each Company that are required to be filed after the Closing Date with respect to any Straddle Period. Each Tax Return referred to in this Section 9(b) will be prepared in a manner consistent with past practices of the applicable Company and without a change of any election, accounting method or convention (in each case except as otherwise required by Applicable Law).

c. For purposes of this Section 9, the portion of Tax with respect to the income,
property or operations of each Company that is attributable to any Tax period that begins on or before the Closing Date and ends on or after the Closing Date (a "**Straddle Period**") will be apportioned between the period of the Straddle Period that extends before the Closing Date through the day immediately prior to the Closing Date (the "**Pre-Closing Straddle Period**") and the period of the Straddle Period that extends from the Closing Date to the end of the Straddle Period (the "**Post-Closing Straddle Period**"*)* in accordance with this Section 9(c). The portion of such Tax attributable to the Pre-Closing Straddle Period will: (i) in the case of any Taxes other than sales or use taxes, value-added taxes, employment taxes, withholding taxes, and any Tax based on or measured by income, receipts or profits earned during a Straddle Period, be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction, the numerator of which is the number of days in the Pre-Closing Straddle Period and the denominator of which is the number of days in the Straddle Period; and (ii) in the case of any sales or use taxes, value-added taxes, employment taxes, withholding taxes, and any Tax based on or measured by income, receipts or profits earned during a Straddle Period, be deemed equal to the amount that would be payable if the Straddle Period ended on and excluded the Closing Date. The portion of a Tax attributable to a Post-Closing Straddle Period will be calculated in a corresponding manner.

a. The Seller shall be Liable for fifty percent (50%) of all Taxes owed with respect
to any Tax Return for any Pre-Closing Tax Period and, in the case of a Tax Return for a Straddle Period, all Taxes attributable to the Pre-Closing Straddle Period together with any reasonable out-of-pocket fees and expenses (including attorneys' and accountants' fees) incurred in connection therewith. The Seller shall pay to Buyer within fifteen (15) days after the date on which any Seller receives written notice that Taxes are paid with respect to such periods or transactions in an amount equal to the portion of such Taxes which relates to the portion of such Pre-Closing Tax Period or Pre-Closing Straddle Period, as the case may be, for which Seller is responsible hereunder.

a. The Seller and Buyer will cooperate fully in connection with the filing of Tax Returns pursuant to this Section 9 and any audit, litigation, or other proceeding with respect to Taxes. Such cooperation will include (upon the other Person's request) the provision of records and information that are available and reasonably relevant to any such audit, litigation, or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Seller and Buyer further agree, upon the request of the other Person, to use their commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may

be necessary to mitigate, reduce, or eliminate any Tax that could be imposed (including, but not limited to, with respect to the Transaction).

b. Notwithstanding Section 8 or anything contained herein to the contrary, to the extent of any inconsistences between Section 8 and this Section 9(f), this Section 9(f) will control any inquiries, assessments, proceedings or similar events with respect to Taxes. Buyer will promptly notify the Seller: (i) upon receipt by Buyer or any Affiliate of Buyer of any notice of any audit or examination of any Tax Return of any Company relating to any Pre-Closing Tax Period or Straddle Period and any other proposed change or Claim related to Taxes from any Tax authority relating to any Pre-Closing Tax Period or Straddle Period (a "**Tax Matter**"); or (ii) prior to Buyer or any Company initiating any Tax Matter with any Tax authority relating to any Pre-Closing Tax Period or Straddle Period. The Seller, at the Seller's sole cost and expense, may participate in the defense of any such Tax Matter; provided that the failure of Buyer to provide notices as required under this Section 9(f) will not negate Buyer's right to indemnification under this Section 9 and Section 8 with respect to Tax Liabilities resulting from such Tax Matter except to the extent that the Seller is prejudiced as a result of such failure. Buyer shall have the right, at its own expense, to exercise control at any time over any Tax Matter regarding any Tax Return of either Company (including the right to settle or otherwise terminate any contest with respect thereto).

a. Fifty percent (50%) of any refunds for Taxes (including any interest in respect thereof actually received from a Governmental Authority), net of reasonable expenses and net of any income Taxes of Buyer, either Company or any of their respective Affiliates attributable to such refund, actually received by Buyer or either Company, and any amounts credited against Taxes to which Buyer, either Company, or any of their respective Affiliates become entitled and that reduce or could reduce the Taxes otherwise payable by Buyer, either Company, or any of their respective Affiliates (including by way of any amended Tax return), related to, or resulting or arising, directly or indirectly from Taxes of either Company for any Pre-Closing Tax Period or Pre-Closing Straddle Period shall be for the benefit of Seller (excluding any refund or credit attributable to any loss in a tax year (or portion of a Straddle Period) beginning on or after the Closing Date applied (e.g., as a carryback) to income in a tax year (or portion of a Straddle Period) ending on or before the Closing Date).

a. Notwithstanding anything in this Agreement to the contrary, the provisions of this Section 9 will survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation or extension thereof) plus sixty (60) days and, except to the extent specifically set forth in Section 9(f) above, any indemnification obligations arising pursuant to this Section 9 will be subject to the provisions of Section 8 hereof.

Section 10. *Termination*.

a. *Termination of Agreement*. This Agreement may be terminated, and the Transaction may be abandoned at any time prior to the Closing Date:

i. By mutual written consent of Buyer and the Seller;

ii. By either Buyer or the Seller if a Governmental Authority will have issued an Order or taken any other action (excluding any Order or action arising under, relating to or in connection with the Federal Cannabis Laws), in each case that has become final and non-appealable and that restrains, enjoins or otherwise prohibits the Transaction or any part of it; provided, that the right to terminate this Agreement under this Section 10(a) will not be available to any Person whose failure to fulfill any material obligation under this Agreement has resulted in the issuance of such Order or caused such action;

i. By Buyer upon written notice to the Seller at any time prior to Closing if: (A) Seller has breached any representation, warranty or covenant contained in this Agreement in any material respect and (1) the breach cannot be cured, or (2) Buyer has notified the Seller of the breach in writing, and the breach has continued without cure for a period of thirty (30) days after receipt by the Seller of the written notice of breach; (B) Buyer determines in there has been, or is likely to be, a failure of a condition precedent to Buyer's obligation to consummate the Transaction; (C) Buyer determines there has been, or is reasonably likely to be, a Material Adverse Effect on, or a Material Adverse Change to, the Companies taken as a whole, or that the Merger Transaction has been terminated or otherwise will not be consummated; (D) the Closing has not occurred by the eighteen (18) month anniversary of the Effective Date; or

i. By the Seller upon written notice to Buyer at any time prior to Closing if: (A) Buyer has breached any representation, warranty or covenant contained in this Agreement in any material respect and (1) the breach cannot be cured, or (2) the Seller has notified Buyer of the breach in writing, and the breach has continued without cure for a period of thirty (30) days after receipt by Buyer of the written notice of breach, (B) Seller determines in there has been, or is likely to be, a failure of a condition precedent to Seller's obligation to consummate the Transaction; or (C) the Closing has not occurred by the eighteen (18) month anniversary of the Effective Date.

b. *Effect of Termination*. If this Agreement is terminated and the Transaction contemplated herein is abandoned prior to Closing pursuant to Section 10(a), this Agreement will forthwith become void, without Liability on the part of any Party hereto (except for the provisions of this Section 10(b) and Section 8, Section 11(b), Section 11(c), Section 11(d) and Section 11(q), and such other provisions herein that contemplate survival beyond termination of this Agreement, all of which shall all survive such termination), and all rights and obligations of each Party will cease and be of no further force or effect, except that nothing in this Section 10(b) will relieve any Party from Liability imposed upon such Party pursuant to any Section of this Agreement that survives termination.

Section 11. *Miscellaneous*.

a. *Further Assurances*. Following the Closing Date, each Party will cooperate in good faith with each other Party and will take all commercially reasonable actions which may be reasonably necessary or advisable to carry out and consummate the Transactions.

a. *Notices*. Unless otherwise provided in this Agreement, any agreement, notice, request, instruction or other communication to be given hereunder will be in writing and: (i) delivered personally (such delivered notice to be effective on the date it is delivered), (ii) deposited with a reputable overnight courier service for next business day delivery (such couriered notice to be effective one (1) business day after the date it is sent by courier), or (iii) sent by e-mail (with electronic confirmation of delivery or receipt; to be effective upon receipt during normal business hours, or on the next business day if received after normal business hours), as follows:

If to the Seller (which shall constitute notice to each Seller):
Telephone: Email:
If to Buyer:
Telephone: Email:
With copies to:
Telephone:
Fax:
Email:
and
Telephone: Email:

Buyer or the Seller may, upon written notice to the other Person, designate any other physical or email address to which, and any other Person to whom or which, a copy of any such notice, request, instruction or other communication should be sent.

a. *Governing Law; Dispute Resolution*.

i. All issues and questions concerning the application, construction, validity, interpretation, and enforcement of this Agreement shall be governed by and construed in accordance with the internal laws of the State of Nevada, without giving effect to any choice or conflict of law provision or rule (whether of the State of Nevada or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of Nevada.

i. Each Party hereby agrees that any Claim seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the Transaction, whether in contract, tort, or otherwise, shall be brought exclusively in the state courts of the State of Nevada located in Clark County. Each Party hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action, or proceeding and irrevocably waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action, or proceeding in any such court or that any such suit, action, or proceeding which is brought in any such court has been brought in an inconvenient forum.

i. EACH PARTY WAIVES THEIR RESPECTIVE RIGHTS TO A TRIAL

BY JURY OF ANY CAUSE OF ACTION BASED UPON OR ARISING OUT OR RELATED TO THIS AGREEMENT IN ANY CLAIM OF ANY TYPE BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY OR ANY AFFILIATE OF ANY OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. EACH PARTY AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, EACH PARTY FURTHER AGREES THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY CLAIM, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

a. *Expenses*. Except to the extent expressly provided to the contrary in this Agreement: (i) the Seller will pay all legal, accounting and other expenses of Seller related to this Agreement; and (ii) Buyer will pay all legal, accounting and other expenses of Buyer related to this Agreement.

a. *Titles*. The headings of the articles and sections of this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement.

a. *Waiver*. No failure of any Party to require, and no delay by any Party in requiring, any other Party to comply with any provision of this Agreement will constitute a waiver of the right to require such compliance. No failure of any Party to exercise, and no delay by any Party in exercising, any right or remedy under this Agreement will constitute a waiver of such right or remedy. No waiver by any Party of any right or remedy under this Agreement will be effective unless made in writing. Any waiver by a Party of any right or remedy under this Agreement will be limited to the specific instance and will not constitute a waiver of such right or remedy in the future.

a. *Effective; Binding*. This Agreement will be effective upon the due execution hereof by each Party. Upon becoming effective, this Agreement will be binding upon each Party and its successors and permitted assigns, and will inure to the benefit of, and be enforceable by, each Party and its successors and permitted assigns.

a. *Assignment*. Seller may not assign any right or obligation arising pursuant to this Agreement without first obtaining the written consent of Buyer, which may be granted or withheld in Buyer's sole discretion. Buyer may not assign any right or obligation arising pursuant to this Agreement without first obtaining the written consent of the Seller, which may be granted or withheld in the Seller's sole discretion, provided that Buyer may assign all or any of its rights or obligations under this Agreement to one or more Affiliates of Buyer upon prior written notice to Seller (but without the consent of Seller), provided that Buyer will remain liable hereunder for the obligations of the assignee notwithstanding any such assignment.

a. *Entire Agreement*. This Agreement contains the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes each course of conduct previously pursued, accepted or acquiesced in, and each written or oral agreement and representation previously made, by the Parties with respect to the subject matter of this Agreement.

b. *Modification*. No course of performance or other conduct hereafter pursued, accepted or acquiesced to, and no oral agreement or representation made in the future, by any Party, whether or not relied or acted upon, and no usage of trade, whether or not relied or acted upon, will modify, amend or terminate this Agreement, impair or otherwise affect any obligation of any Party pursuant to this Agreement or otherwise operate as a waiver of any such right or remedy. No modification or amendment of this Agreement will be effective unless made in writing duly executed by the Seller and Buyer.

a. *Counterparts*. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which taken together will constitute one and the same instrument. Any Party may execute this Agreement by facsimile (or other means of electronic transmission, such as by electronic mail in ".pdf" form) signature and the other Parties will be entitled to rely on such facsimile (or other means of electronic transmission) signature as evidence that this Agreement has been duly executed by such Party.

a. *Time is of the Essence*. It is understood by each Party that time is of the essence hereof in connection with all obligations under this Agreement.

a. *Usage of Terms*. Except where the context otherwise requires, words importing the

singular number will include the plural number and vice versa. Use of the word "including" means "including, without limitation."

a. *References to Sections*. All references in this Agreement to Sections (and other subdivisions) and Appendices refer to the corresponding Sections (and other subdivisions) of this Agreement, unless the context expressly, or by necessary implication, otherwise requires. The Recitals and Appendices identified in this Agreement are incorporated herein by reference and made a part hereof.

a. *No Third-Party Beneficiaries*. Except to the extent expressly provided to the contrary in this Agreement, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

a. *Severability*. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

a. *Attorneys' Fees*. In the event of any controversy arising under this Agreement or and ancillary agreement, each Party hereto shall bear its own respective costs, expenses, and attorneys' fees with respect to such controversy.

a. *Specific Performance*. Each Party acknowledges and agrees that the other Parties would be damaged irreparably in the event any provision of this Agreement is not performed in accordance with its specific terms or otherwise is breached, so that a Party shall be entitled to seek injunctive relief to prevent breaches of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in addition to any other remedy to which such Party may be entitled at law or in equity. In particular, the Parties acknowledge and agree that in the event Seller breaches this Agreement, money damages would be inadequate and Buyer would have no adequate remedy at law, so that Buyer shall have the right, in addition to any other rights and remedies existing in its favor, to enforce its rights and the other Parties' obligations hereunder not only by action for damages but also by action for specific performance, injunctive, and/or other equitable relief.

a. *GENERAL RELEASE AND DISCHARGE*.

i. SELLER'S RELEASE. BY VIRTUE OF SELLER'S EXECUTION AND DELIVERY OF THIS AGREEMENT, AS OF THE CLOSING AND THEREAFTER, SELLER, FOR AND ON BEHALF OF ITSELF AND ITS SUCCESSORS, ASSIGNS, BENEFICIARIES, ADMINISTRATORS, AND AFFILIATES (THE "**SELLER RELEASING PARTIES**") DO HEREBY FULLY AND IRREVOCABLY REMISE, RELEASE AND FOREVER DISCHARGE EACH COMPANY, AND EACH COMPANY'S CURRENT AND FORMER OFFICERS, MEMBERS, AFFILIATES, EMPLOYEES, AGENTS, ATTORNEYS, ACCOUNTANTS, SUCCESSORS AND ASSIGNS FROM ANY AND ALL CLAIMS (AS DEFINED HEREIN) AND LIABILITIES (AS DEFINED HEREIN) OF EVERY KIND, EITHER IN LAW OR IN EQUITY, WHETHER CONTINGENT, MATURE, KNOWN OR UNKNOWN, OR SUSPECTED OR UNSUSPECTED, INCLUDING, WITHOUT LIMITATION, ANY CLAIMS ARISING UNDER ANY APPLICABLE LAW, WHETHER ARISING IN CONTRACT OR IN TORT, THAT THE SELLER RELEASING PARTIES EVER HAD, NOW HAVE OR MAY HAVE, FOR OR BY REASON OF ANY CAUSE, MATTER OR THING WHATSOEVER, FROM THE BEGINNING OF THE WORLD TO THE DATE HEREOF. NOTWITHSTANDING THE FOREGOING, THE SELLER RELEASING PARTIES DO NOT WAIVE OR RELEASE ANY RIGHTS OF ANY SELLER CREATED PURSUANT TO THE TERMS OF THIS AGREEMENT AND ANY AGREEMENT ENTERED IN CONNECTION WITH THIS AGREEMENT, OR TO THE BENEFIT OF ANY INSURANCE COVERAGE OF OR INDEMNIFICATION OBLIGATIONS UNDER THE ORGANIZATIONAL DOCUMENTS OF EITHER COMPANY.

a. *Regulatory Compliance*. This Agreement is subject to strict requirements for ongoing regulatory compliance by the Parties, including, without limitation, requirements that the Parties take no action in violation of the Nevada Cannabis Laws or the requirements, guidance or instruction of the CCB. The Parties acknowledge and understand that the Nevada Cannabis Laws and/or the requirements, guidance or instruction of the CCB are subject to change and are evolving as the marketplace for statecompliant cannabis businesses continues to evolve. If necessary or desirable to comply with the requirements of the Nevada Cannabis Laws and/or the requirements, guidance or instruction of the CCB, the Parties hereby agree to promptly (and agree to cause their Affiliates and all of their respective Representatives to) use their respective commercially reasonable efforts to take all actions

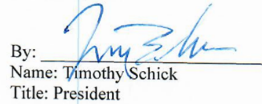
reasonably requested to ensure approval of the CCB for the transfer of the Permits in compliance with the Nevada Cannabis Laws and/or the requirements, guidance or instruction of the CCB, including, without limitation, negotiating in good faith to amend, restate, amend and restate, supplement, or otherwise 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 Nevada Cannabis Laws and/or the requirements, guidance or instruction of the CCB.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

BUYER:

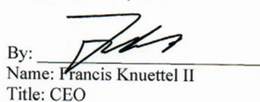
NULEAF, INC.



By: ______________________
Name: Timothy Schick
Title: President

SELLER:

MEDIFARM III, LLC



By: ______________________
Name: Francis Knuettel II
Title: CEO

SUBSIDIARIES OF THE REGISTRANT

Unrivaled Brands, Inc. is a holding company with the following subsidiaries:

- 620 Dyer LLC, a California corporation ("Dyer");
- 1815 Carnegie LLC, a California limited liability company ("Carnegie");
- Black Oak Gallery, a California corporation ("Black Oak");
- Blüm San Leandro, a California corporation ("Blum San Leandro");
- MediFarm, LLC, a Nevada limited liability company ("MediFarm");
- MediFarm I, LLC, a Nevada limited liability company ("MediFarm I");
- 121 North Fourth Street, LLC, a Nevada limited liability company ("121 North Fourth");
- OneQor Technologies, Inc., a Delaware corporation ("OneQor");
- UMBRLA, Inc., a Nevada corporation ("UMBRLA");
- Halladay Holding, LLC ("Halladay");
- People's First Choice, LLC, a California limited liability company ("People's"); and
- Silverstreak Solutions, Inc, a California corporation ("Silverstreak").

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statement of Unrivaled Brands, Inc. on Form S-3 (File Nos. 333-259594, and 333-227219) and Form S-8 (File Nos. 333-259254, 333-237453, 333-234106, and 333-230081) of our report, which includes an explanatory paragraph as to the Company's ability to continue as a going concern, dated April 15, 2022, with respect to our audits of the consolidated financial statements of Unrivaled Brands, Inc. as of December 31, 2021 and 2020 and for the years ended December 31, 2021 and 2020, which report is included in this Annual Report on Form 10-K of Unrivaled Brands, Inc. for the year ended December 31, 2021.

Our report on the consolidated financial statements refers to a change in the method of accounting for convertible instruments effective January 1, 2021.

/s/ Marcum LLP

Marcum LLP

Costa Mesa, California
April 15, 2022

EXHIBIT 31.1

Certification of Chief Executive Officer
Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934

I, Tiffany Davis, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2021 of Unrivaled Brands, Inc..;

1. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

1. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

1. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    a. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our

supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    a. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the

effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    a. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

1. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 15, 2022 By: */s/ Tiffany Davis*

Tiffany Davis
Chief Executive Officer and Director

EXHIBIT 31.2

Certification of Chief Financial Officer
Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934

I, Jeffrey Batliner, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2021 of Unrivaled Brands, Inc.;

1. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

1. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

1. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    a. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our
supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    a. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the

    effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    a. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

1. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are

    reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    a. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal
control over financial reporting.

Date: April 15, 2022 By: */s/ Jeffrey Batliner*

Jeffrey Batliner
Chief Financial Officer

EXHIBIT 32.1

Certifications of Chief Executive Officer
Pursuant to 1350 of Chapter 63 of Title 18 of the United States Code

Pursuant to U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Executive Officer of Unrivaled Brands, Inc. (the "Company") does hereby certify, to the best of such officer's knowledge, that:

a. The Annual Report on Form 10-K of the Company for the year ended December 31, 2021 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

1. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 15, 2022 By: */s/ Tiffany Davis*

Tiffany Davis
Chief Executive Officer and Director

EXHIBIT 32.2

Certifications of Chief Financial Officer
Pursuant to 1350 of Chapter 63 of Title 18 of the United States Code

Pursuant to U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Financial Officer of Unrivaled Brands, Inc. (the “Company”) does hereby certify, to the best of such officer’s knowledge, that:

1. The Annual Report on Form 10-K of the Company for the year ended December 31, 2021 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

1. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 15, 2022 By: */s/ Jeffrey Batliner*

Jeffrey Batliner
Chief Financial Officer