ASSET PURCHASE AGREEMENT

AMONG

CHESTNUT HILL TREE FARM, LLC,

as Seller

and

DFMMJ INVESTMENTS, LLC,

as Purchaser

March 30, 2017
ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement") is dated as of March 30, 2017, by and among CHESTNUT HILL TREE FARM, LLC, a limited liability company organized under the laws of the State of Florida ("Seller") and DFMMJ INVESTMENTS, LLC, a limited liability company organized under the laws of the State of Florida (the "Purchaser").

WHEREAS, Seller currently owns a nursery business (that is duly registered pursuant to Fla. Stat 581.131 and Fla. Stat 581.011) located in Alachua County, Florida, licenses with the State of Florida that permit the Seller to possess, cultivate, process, dispense and sell medical marijuana in the State of Florida pursuant to Fla. Stat 381.986(5)(b) (the "Licenses"), and associated Working Capital, leasehold interests, and equipment, all as described on Exhibit A attached hereto (collectively, the "Business"); and

WHEREAS, Seller desires to sell the assets of the Business, including its goodwill and the purchase price shall be allocated to the assets purchased in accordance with Exhibit A; and

WHEREAS, the Purchaser desires to purchase those assets of the Business, subject to the terms and provisions of this Agreement as set forth herein; and

WHEREAS, subject to the terms and conditions hereof, Seller believes it is in the best interest of Seller and its members to sell the Business to the Purchaser, subject to the terms and provisions as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual covenants of the parties hereinafter expressed and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I
PURCHASE AND SALE OF BUSINESS

Section 1.1 Purchase, Sale and Transfer of Business. In exchange for Purchase Price (as hereinafter defined) and subject to the terms and conditions hereof including the Due Diligence Period, Seller agrees to sell, assign, transfer, convey and deliver to the Purchaser at the Closing (as hereinafter defined), and the Purchaser agrees to purchase and accept delivery from Seller at the Closing the Business, free and clear of all liens, claims, charges, restrictions, equities or encumbrances of any kind.

Goodwill. Seller shall transfer to Purchaser all of the goodwill of Seller, including the name, and other related trade names, trademarks and service marks. Following the closing, Seller shall execute any and all documents necessary to allow Purchaser exclusively to utilize the name, and other related trade names, trademarks and service marks in the operation of its business.
Working Capital. The Business sold by Seller shall include working capital ("Working Capital"). At execution of this Agreement the working capital in the Business is approximately Three Million Nine Hundred Thousand Dollars ($3,900,000). From the existing Working Capital, Seller shall continue to pay its normal operating expenses, including payroll, but will not make new capital expenditures without the prior written consent of the Purchaser. At Closing the remaining Working Capital shall be transferred to the Purchaser as part of the Business.

Liabilities. Notwithstanding anything to the contrary in this Agreement, Purchaser shall not assume, and shall have no liability for any of the debts, obligations, liabilities or commitments of Seller incurred in the operation of the Business prior to the Closing unless specifically stated herein or on Exhibit B. Purchaser agrees to assume at Closing Seller’s obligations from and after the Closing for the lease of the facilities and the contracts listed on Exhibit B.

Section 1.2 Consideration for the Purchase of the Business. Purchaser agrees to pay and Seller agrees to accept the total sum of Forty Million Dollars ($40,000,000.00) (the “Purchase Price”) as payment of the total consideration for the purchase and acquisition of the Business. The Purchase Price shall be payable by the Purchaser to the Seller as follows:

(a) To secure the performance by Purchaser of its obligations under this Agreement, within five (5) days of the Purchaser’s execution of this Agreement, Purchaser shall deposit the sum Three Million Two Hundred Sixty Thousand Dollars ($3,260,000.00) ("Deposit") with Cobb Eddy, PLLC ("Escrow Agent"), which shall act as the escrow agent for this transaction, which Deposit shall be held by Escrow Agent in a federally insured non-interest bearing account at a financial institution selected by Escrow Agent. Escrow Agent’s address is 642 N.E. Third Avenue, Fort Lauderdale, Florida 33304, Attention Brady Cobb. Purchaser and Sellers agree that the release of the Deposit by the Escrow Agent shall be subject to sections 1.4, 1.5 and 3.1 of this Agreement; provided, however, that except as otherwise provided in Section 3.1, the Deposit shall be nonrefundable upon expiration of the Due Diligence Period unless Purchaser provides written notice to Seller of termination of this Agreement.

(b) At Closing, Five Hundred Thousand Dollars ($500,000) of the Purchase Price will be placed in escrow with the Escrow Agent, held for twelve months, and shall be used to pay for any indemnification obligations of the Seller. After twelve months, the remaining funds shall be transferred to Seller.

(c) At Closing, Five Hundred Thousand Dollars ($500,000) of the Purchase Price will be paid to the Seller to be held, at Seller’s discretion, to act as a reserve to wind up the Seller and pay any costs related thereto.

(d) The balance of Thirty Nine Million Dollars ($39,000,000) will be paid in immediately available funds by Purchaser to Seller’s members on the Closing Date via wire transfer in accordance with Exhibit C.

Section 1.3 Closing Date. The closing of the transactions provided for herein shall take place at the offices of the Seller at 2 p.m. on the earlier of June 1, 2017, or three days after the State of Florida’s approval of the transfer of the Licenses to Purchaser (the “Closing” or
“Closing Date”), or at such other place and time as may be mutually agreed by the parties hereto. The Closing Date may be postponed to a later time and date by the mutual written agreement of all of the parties. If the Closing Date is postponed, all references to the Closing Date in this Agreement shall refer to the postponed date.

Bill of Sale. The personal property of the Business shall be conveyed by a Bill of Sale, free and clear of all liens, encumbrances and restrictions whatsoever. Seller or agents of Seller shall have the right, upon reasonable notice to Purchaser, to inspect such books and records after they are transferred to Purchaser for reasonable purpose, such as those related to an audit of the tax returns of Seller.

Section 1.4 Due Diligence Investigation by Purchaser. Seller acknowledges and agrees that Purchaser’s obligations under this Agreement shall be expressly conditioned upon and/or contingent upon Purchaser’s completion, in Purchaser’s sole discretion, of its due diligence investigation (the “Due Diligence Investigation”), which shall include but not be limited to Purchaser’s review of all Due Diligence Documents (as said term is defined by section 2.1(g) herein), review of all Licenses held by Seller, and the receipt of all governmental approvals from any and all required governmental agencies, if any, of the Purchaser’s acquisition of the Business and the approval of Purchaser to operate the Seller’s Business. Purchaser and Seller agrees that Purchaser shall have ten (10) days from the date this Agreement is executed and delivered to Purchaser to complete its Due Diligence Investigation (the “Due Diligence Period”). Up and through the expiration of the Due Diligence Period, Purchaser shall have the absolute right to terminate this Agreement by delivering written notice of such termination to Seller (email sufficient), and Seller expressly agrees that upon receipt of timely written notice of termination from Purchaser it will instruct and/or take all actions necessary to cause the Escrow Agent to immediately refund and return the full Deposit to Purchaser. If Purchaser fails to provide written notice of termination of this Agreement to the Seller on or before the expiration of the Due Diligence Period, Purchaser expressly agrees that the Deposit shall become non-refundable to Purchaser.

Section 1.5 Deliveries By Sellers. At the Closing, Seller shall deliver the following to Purchaser:

1.5.1 Business. All certificates representing the Business together with all necessary transfer tax stamps and duly executed unit powers transferring the Business from Seller to Purchaser.

1.5.2 Seller’s Resolutions. True and correct copies of the resolutions which have been adopted by the Managers and/or Members of Seller, that expressly authorize the execution, delivery and performance of this Agreement and all related agreements and/or documents associated with the transaction contemplated herein (including unit powers and related documents).

1.5.3 Dispensing Organization License. Seller shall deliver to Purchaser a copy of the valid Dispensing License held by the Seller that was issued by the State of Florida, Department of Health, Office of Compassionate Use which authorizes the Seller to possess, cultivate, process, dispense or otherwise sell medical marijuana
to qualified patients in the state of Florida pursuant to Fla. Stat 381.986(5)(b).

1.5.4 Certificate of Registration. Seller shall deliver to Purchaser a copy of the Seller’s valid certificate of registration issued by the Florida Department of Agriculture and Consumer Services pursuant to Fla. Stat 581.131.

1.5.5 Documents Evidencing Nursery Compliance. Seller shall deliver to Purchaser all documents that evidence that at closing the Seller is in full compliance with Fla. Stat 381.986, et seq., and all documents that evidence that Seller is cultivating more than 400,000 plants at the Closing date (the number of plants may vary throughout the growing year), in accordance with Fla. Stat 581.011.

1.5.6 Nursery Management Contract. Seller shall deliver an executed version of a nursery management contract (the “Nursery Contract”) between Seller, Wallace and/or Gaw (the “Nursery Managers”) and Purchaser wherein the Nursery Managers shall agree to act as Purchaser’s contractual agent in the management and operations of the nursery operations (non-medical cannabis operations) of Purchaser under Seller’s certificate of registration from the Florida Department of Agriculture pursuant to Fla. Stat. sections 581.131 and 581.011 (the “Nurseryman Requirements”), respectively. The term of the Nursery Contract shall be from the Closing Date until the earlier to occur of the following events: (a) Thirty (30) days after Purchaser provides written notice to the Nursery Managers that Purchaser has contracted with another qualifying nursery to satisfy the Nurseryman Requirements and the replacement nursery has been approved by the requisite governmental authorities, or (b) sixty (60) days from the date that new legislation is passed by the Florida legislature which amends the requirements of Fla. Stat 381.986 relative to the Nurseryman Requirements, whichever occurs first. Purchaser expressly acknowledges that Purchaser shall be solely responsible for all costs associated with acquiring and/or maintaining the required 400,000 plants necessary to be in compliance with Fla. Stat 381.986 subsequent to the Closing Date.

1.5.7 Other Documents. All other agreements, certificates, instruments and documents reasonably requested by Purchaser from the Seller in order to fully consummate the transactions contemplated hereby and carry out the purposes and intent of this Agreement.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the Seller. In order to induce the Purchaser to enter into this Agreement and to purchase the Business, the Seller hereby makes the following representations and warranties to the Purchaser:

(a) Organization, Good Standing and Power. The Seller is a limited liability company duly incorporated, validly existing and in good standing under the laws of the State of
Florida and has the requisite power to possess, cultivate, dispense or otherwise sell medical marijuana to qualified patients in the State of Florida pursuant to Fla. Stat. 381.986 and operate its properties and assets and to conduct its Business as it is now being conducted and to enter into this Agreement and to perform its obligations hereunder.

(b) **Authorization; Enforcement.** The Seller has the requisite power and authority to enter into and perform this Agreement and all related or corollary documents (the "Transaction Documents") and to transfer and sell the Business to Purchaser in accordance with the terms hereof. The execution, delivery and performance of the Transaction Documents by the Seller and the consummation by them of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action and/or member approval, and no further consent or authorization of the Seller or its Board of Managers is required. Each of the Transaction Documents has been duly executed and delivered by Seller. Each of the Transaction Documents constitutes, or shall constitute when executed and delivered, a valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, conservatorship, receivership or similar laws relating to, or affecting generally the enforcement of, creditor's rights and remedies or by other equitable principles of general application.

(c) **Transfer of Business.** The transfer of the Business to Purchaser at Closing has been duly authorized by all necessary corporate action and member approval and, when paid for or issued in accordance with the terms hereof, the Business shall be sold, assigned and transferred to the Purchaser.

(d) **No Conflicts.** The execution, delivery and performance of the Transaction Documents by the Seller and the consummation by the Seller of the transactions contemplated herein and therein do not and will not (i) violate any provision of the Seller's Articles of Organization ("Articles") or Operating Agreement, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, mortgage, deed of trust, indenture, note, bond, license, lease agreement, instrument or obligation to which the Seller is a party or by which any of its respective properties or assets are bound, (iii) create or impose a lien, mortgage, security interest, charge or encumbrance of any nature whatsoever on any property of the Seller under any agreement or any commitment to which the Seller is a party or by which the Seller is bound or by which any of its respective properties or assets are bound, or (iv) result in a violation of any rule, regulation, order, judgment or decree applicable to the Seller or by which any property or asset of the Seller is bound or affected, except, in all cases other than violations pursuant to clause (i) above, for such conflicts, defaults, terminations, amendments, acceleration, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect. "Material Adverse Effect" shall mean any effect on the business, operations, properties, prospects, or financial condition of the Seller that is material and adverse to the Seller and its subsidiaries and affiliates, taken as a whole; provided, however, that the term shall not include any event, occurrence, fact, condition, or change, directly or indirectly, arising out of or attributable to: (i) any changes, conditions or effects in the United States or foreign economies or securities or financial markets in general; (ii) changes, conditions or effects that generally affect the industries in which Seller operates; (iii) conditions
caused by acts of terrorism or war (whether or not declared); (iv) changes in applicable laws or accounting rules or principles, or (iv) any disclosure or announcement of this Agreement or the transactions contemplated hereby.

(e) **Certain Fees.** The Seller has not employed any broker or finder or incurred any liability for any brokerage or investment banking fees, commissions, finders' or structuring fees, financial advisory fees or other similar fees in connection with the Transaction Documents.

(f) **No Liens.** Seller hereby warrants and represents to Purchaser that Seller is the sole and lawful owner of the Business and that the Business is free and clear of any and all encumbrances, liens, claims and assessments.

(g) **Due Diligence Documents.** Seller hereby warrant and represent that all financial information and documentation, including but not limited to the documents evidencing any debts of the Seller, documents evidencing any outstanding loans owed by the Seller, tax returns filed by the Seller, balance sheets and profit and loss statements of the Seller, all documents that evidence the Seller’s ownership of assets, all licenses and/or permits issued to the Seller, a copy of the valid Dispensing License held by the Seller that was issued by the State of Florida, Department of Health, Office of Compassionate Use which authorizes the Seller to possess, cultivate, process, dispense or otherwise sell medical marijuana to qualified patients in the state of Florida pursuant to Fla. Stat 381.986(5)(b), a copy of the Seller’s valid certificate of registration issued by the Florida Department of Agriculture and Consumer Services pursuant to Fla. Stat 581.131, and all documents that evidence that at closing Seller is cultivating more than 400,000 plants at the time of closing (although the number of plants may vary during the growing year), in accordance with Fla. Stat 581.011, all contracts or agreements that were entered into between the Seller, any of its Members and any third parties, permit applications and/or issued permits to the Seller for any Seller business and/or any other documents provided to Purchaser by the Seller prior to or subsequent to the execution of this Agreement are true and correct to the best of Seller’s knowledge.

(h) **Litigation.** To Seller's knowledge, there are no legal proceedings, litigation or lawfully issued orders pending or against Seller; and to the knowledge of Seller, there are no legal proceedings, litigation or lawfully issued orders threatened or pending against any party that seek to prohibit or restrain the ability of Seller to enter into this Agreement or consummate the transactions contemplated hereby.

(k) **Accounting Practices.** To the Seller’s knowledge, the Seller makes and keeps accurate books and records reflecting the assets and liabilities of the Seller and maintains internal accounting controls that provide reasonable assurance that (a) transactions are executed with management’s authorization, (b) transactions are recorded as necessary to permit preparation of the financial statements of the Seller and to maintain accountability for the assets and liabilities of the Seller, (c) access to the assets of the Seller is permitted only in accordance with management’s authorization and (d) the reported accountability of the assets and liabilities of the Seller is compared with existing assets and liabilities at reasonable intervals.

(l) **No Undisclosed Liabilities.** To the Seller’s knowledge and except as
provided in Section 2.2(e) below, the Seller has no liabilities or obligations, except those which have been incurred in the ordinary course of business consistent with past practice since December 31, 2016 and which are not, individually or in the aggregate, material in amount.

(m) **Disclaimer.** The Seller shall not be deemed to have made to Purchaser any representation or warranty other than those expressly made by Seller in this Article II. Without limiting the generality of the foregoing and notwithstanding any otherwise express representations and warranties made in this Article, the Seller makes no representation or warranty to Purchaser with respect to (i) any projections, estimates, or budgets heretofore delivered to or made available to Purchaser or its counsel, accountants, or other advisors or representatives of the future revenues, expenses, or expenditures, or future results of operations or prospects of the Seller or its business or (ii) any other information or documents made available to the Purchaser or its counsel, accountants, or other advisors or representatives, except as expressly covered by an express representation and warranty as described in the first sentence of this subsection (m).

(n) **No Additional Representations.** Purchaser acknowledges that it and its representatives have been permitted access to the books and records, facilities, equipment, tax returns, contracts, insurance policies (or summaries thereof) and other properties and assets of Seller which Purchaser and its representatives have desired or requested to see or review, and that Purchaser and its representatives have had an opportunity to meet with the officers and employees of Seller to discuss the Business. Purchaser acknowledges that neither the Seller or any other person has made any representation or warranty, expressed or implied, as to the accuracy or completeness of any written or oral information regarding Seller furnished or made available to Purchaser and its representatives, except as expressly set forth in this Article II of this Agreement, and none of the Seller, or its members shall have or be subject to any liability to Purchaser or any other person resulting from the distribution to Purchaser, or Purchaser’s review or use of, any such written or oral information, and any information, documents or material made available to Purchaser in certain “data rooms,” management presentations or in any other form in expectation of the transactions contemplated hereby. Purchaser shall acquire the Business without any representation or warranty as to merchantability or fitness for any particular purpose, in an “as is” condition and on a “where is” basis, except as expressly represented or warranted by the Seller in this Agreement.

Section 2.2 **Representations and Warranties of the Purchaser.** The Purchaser hereby makes the following representations and warranties to the Seller:

(a) **Organization and Standing of the Purchasers.** The Purchaser is a limited liability Seller, duly incorporated or organized, validly existing and in good standing under the laws of the State of Florida.

(b) **Authorization and Power.** The Purchaser has the requisite power and authority to enter into and perform the Transaction Documents and to purchase the Business sold to it hereunder. The execution, delivery and performance of the Transaction Documents by the Purchaser and the consummation by it of the transactions contemplated hereby have been duly authorized by all limited liability company action, as applicable, and no further consent or authorization of the Purchaser or its Board of Directors, members, or managers, as the case may
be, is required. Each of the Transaction Documents has been duly executed and delivered by the Purchaser on the Closing Date. Each of the Transaction Documents constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, conservatorship, or similar laws relating to, or affecting generally the enforcement of, creditors' rights or remedies or by other equitable principles of general application.

(c) **No Conflicts.** The execution, delivery and performance of the Transaction Documents and the consummation by the Purchaser of the transactions contemplated herein and therein do not and will not (i) result in a violation of the Purchaser's charter documents, bylaws, partnership agreement, operating agreement or other organizational documents, or (ii) conflict with, constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of any agreement, indenture or instrument to which the Purchaser is a party of by which the Purchaser is bound, or result in a violation of any law, rule, or regulation, or any order, judgment or decree of any court or governmental agency applicable to the Purchaser or its properties (except for such conflicts, defaults and violations as would not, individually or in the aggregate, have a material adverse effect on the Purchaser).

(d) **General.** The Purchaser understands that the Business is being offered and sold in reliance on a transactional exemption from the registration requirement of federal and state securities laws and the Seller is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings of the Purchaser set forth herein in order to determine the applicability of such exemptions and the suitability of such Purchaser to acquire the Business. The Purchaser understands that no United States federal or state agency or any government or governmental agency has passed upon or made any recommendation or endorsement of the Business. Purchaser acknowledges prior receipt of the due diligence documents described in Section 2.1(g), above.

(e) **Purchaser acknowledges that upon acquisition of the Business at the Closing, because the non-marijuana nursery plants being cultivated by the Seller are owned by Robert D. Wallace (“Wallace”) and/or Deborah A. Gaw (“Gaw”) or their affiliate, and are not included in the Business, Purchaser, at its own expense, must procure and cultivate more than 400,000 plants as a nurseryman in accordance with Florida Statutes Section 581.011. Purchaser additionally acknowledges that nursery operation services are currently being provided to the Seller by Wallace and/or Gaw or their affiliate, and said services shall continue until the expiration of the Nursery Contract.**

(f) **The Purchaser has not employed any broker or finder or incurred any liability for any brokerage or investment banking fees, commissions, finders' or structuring fees, financial advisory fees or other similar fees in connection with the Transaction Documents.**

(g) **All deliveries to be made by Seller to Purchaser pursuant to section 1.5 herein were duly and timely delivered to and received by Purchaser and are satisfactory to Purchaser.**
ARTICLE III
CONDITIONS PRECEDENT

Section 3.1 Seller's Obligations. Purchaser's obligation to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction of each of the following conditions, except to the extent that such satisfaction is waived by Purchaser in writing:

3.1.1 All representations and warranties made by Seller in this Agreement shall be true and correct in all material respects on the date hereof, and shall be true and correct in all material respects on the Closing Date as though such representations and warranties were again made on the Closing Date.

3.1.2 Seller shall have duly performed or complied with all of the material obligations under this Agreement to be performed or complied with by Seller on or prior to the Closing Date.

3.1.3 Purchaser shall have completed its Due Diligence Investigation and elected to proceed with the closing of this transaction in its sole discretion upon expiration of the Due Diligence Period.

3.1.4 Seller shall have obtained all required consents from the State of Florida with respect to the sale and purchase of the Business and transfer of the Licenses.

If any of the obligations set forth above in this Section 3.1 do not occur by the Closing Date, as extended, Purchaser’s sole and exclusive remedy shall be termination of this Agreement and none of the Seller or any of its members shall have any liability to the Purchaser; provided, however, if Seller is in breach of Sections 3.1.1, 3.1.2, or 3.1.4 the Deposit shall be refunded to Purchaser.

Section 3.2 Purchaser's Obligations. Seller’s obligation to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction of each of the following conditions, except to the extent that such satisfaction is waived by Seller in writing:

3.2.1 All representations and warranties made by Purchaser in this Agreement shall be true and correct in all material respects on the date hereof, and shall be true and correct in all material respects on the Closing Date as though such representations and warranties were again made on the Closing Date.

3.2.2 Purchaser shall have duly performed or complied with all of the material obligations under this Agreement to be performed or complied with by Purchaser on or prior to the Closing Date.

3.2.3 Purchaser at Closing shall have caused the Seller and/or its members or their respective affiliates to be released from any and all liability with respect to the Seller’s $5,000,000.00 dollar performance bond required by Section 381.986.
3.2.4 The Purchase Price, in immediately available funds, is paid at Closing to Seller by Purchaser.

3.2.5 Purchaser shall have timely submitted information for Level 2 background checks required by the State of Florida for the transfer of the Licenses, and the State of Florida shall have approved the transfer.

If any of the obligations set forth above in this Section 3.2 do not occur by the Closing Date, as extended, Seller’s sole and exclusive remedy shall be termination of this Agreement and none of the Purchaser or any of its members shall have any liability to the Seller; provided, however, if Seller is in breach of Sections 3.2.1, 3.2.2, or 3.2.4 the Deposit shall be paid to the Seller.

ARticle IV
INDEMNIFICATION

Section 4.1 Survival of Representations and Warranties. The respective representations, warranties and indemnities given by the parties to each other pursuant to this Agreement shall survive the Closing for a period ending twelve (12) months from the Closing Date ("Survival Date"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against the party required to indemnify (the "Indemnitor") under this Agreement unless the party entitled to indemnification (the " indemnitee") shall have given the Indemnitor written notice of such claim as provided herein on or before the Survival Date. Any claim for which notice has been given prior to the expiration of the Survival Date shall not be barred hereunder.

Section 4.2 Indemnification from Seller. Seller hereby agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold Purchaser harmless at all times after the date of this Agreement until the Survival Date, from and against any and all actions, suits, claims, demands, debts, liabilities, obligations, losses, damages, costs, expenses, penalties, regulatory actions, governmental actions or injury (including reasonable attorneys' fees and costs of any suit related thereto) suffered or incurred by Purchaser arising from: (a) any material misrepresentation by, or breach of any covenant or warranty of the Seller contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by Seller hereunder; (b) any nonfulfillment of any agreement on the part of Seller under this Agreement; (c) except for liabilities or obligations permitted by Section 2.1), any liability or obligation that becomes due to any third party from the Purchaser and/or the Seller that arises from conduct, actions or other matters that occurred at or prior to the Closing Date or (d) any suit, action, proceeding, claim, regulatory action or investigation against Purchaser or Seller which arises from or which is based upon or pertaining to the conduct, the operation or liabilities of Seller on or prior to the Closing Date including any suits, claims or actions filed by the members of Seller related to this Agreement or Purchaser’s acquisition of the Licenses and/or the Business. Notwithstanding any provision of this Agreement to the contrary, the Seller shall not have any liability under this Article IV for any breach if Purchaser had knowledge of such breach at the time of the Closing; and provided further, that Seller's cumulative liability under this Article IV shall in no event exceed, in the aggregate, the $500,000 escrowed funds held by the
Escrow Agent, which shall be used and applied by the Escrow Agent to satisfy Seller’s obligations imposed by Article IV.

Section 4.3 Indemnification from Purchaser. Purchaser hereby agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Seller), and hold Seller harmless at all times after the date of this Agreement, from and against any and all actions, suits, claims, demands, debts, liabilities, obligations, losses, damages, costs, expenses, penalties, or injury (including reasonable attorneys’ fees and costs of any suit related thereto) suffered or incurred by Seller arising from: (a) any material misrepresentation by, or breach of any covenant or warranty of the Purchaser contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by Purchaser hereunder; (b) any nonfulfillment of any agreement on the part of Purchaser under this Agreement; (c) any liability or obligation that becomes due to any third party from the Purchaser and/or the Seller that arises from conduct, actions or other matters that occurred at or subsequent to the Closing Date, or (d) any suit, action, proceeding, claim, regulatory action or investigation against Seller and/or any of the Seller’s members or owners of the Seller’s members which arises from or which is based upon or pertaining to (a) the conduct or the operation or liabilities of Seller at or subsequent to the Closing Date, or (b) in whole or in part, the reasonableness of the Purchase Price.

Section 4.4 Defense of Claims. If any lawsuit enforcement action or any attempt to collect on an alleged liability is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the indemnifying party within ten (10) calendar days after receipt of notice or other date by which action must be taken; provided that the failure of any indemnified party to give timely notice shall not affect rights to indemnification hereunder except to the extent that the indemnifying party demonstrates damage caused by such failure. After such notice, the indemnifying party shall be entitled, if it so elects, to take control of the defense and investigation of such lawsuit or action and to employ and engage attorneys of its own choice to handle and defend the same, at the indemnifying party’s cost, risk and expense; and such indemnified party shall cooperate in all reasonable respects, at its cost, risk and expense, with the indemnifying party and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however, that the indemnified party may, at its own cost, participate in such investigation, trial and defense of such lawsuit or action and any appeal arising therefrom, but the fees and expenses of such counsel shall be at the expense of such indemnified party, except to the extent that (i) the employment thereof has been specifically authorized by the indemnifying party in writing, (ii) the indemnifying party has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict on any material issue between the position of the indemnifying party and the position of such indemnified party, in which case the indemnifying party shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The indemnifying party shall not, without the prior written consent of the indemnified party, effect any settlement of any proceeding in respect of which any indemnified party is a party and indemnity has been sought hereunder unless such settlement of a claim, investigation, suit, or other proceeding only involves a remedy for the payment of money by the indemnifying party and includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.
Section 4.5 Default of Indemnification Obligation. If an entity or individual having an indemnification, defense and hold harmless obligation, as above provided, shall fail to assume such obligation, then the party or entities or both, as the case may be, to whom such indemnification, defense and hold harmless obligation is due shall have the right, but not the obligation, to assume and maintain such defense (including reasonable counsel fees and costs of any suit related thereto) and to make any settlement or pay any judgment or verdict as the individual or entities deem necessary or appropriate in such individuals or entities absolute sole discretion and to charge the cost of any such settlement, payment, expense and costs, including reasonable attorneys’ fees, to the entity or individual that had the obligation to provide such indemnification, defense and hold harmless obligation and same shall constitute an additional obligation of the entity or of the individual or both, as the case may be.

Section 4.6 Exclusive Remedy. Purchaser further acknowledges and agrees that, should the Closing occur, its sole and exclusive remedy with respect to any and all claims relating to this Agreement, the transactions contemplated hereby, shall be pursuant to the indemnification provisions set forth in this Article IV.

ARTICLE V
MISCELLANEOUS

Section 5.1 Severability. In the event that any one or more provisions of this Agreement shall be deemed to be illegal or unenforceable, such illegality or unenforceability shall not affect any of the remaining legal and enforceable provisions hereof, which shall be construed as if such illegal or unenforceable provisions had not been inserted.

Section 5.2 Further Assurances. At and after the Closing, each of Seller and Purchaser shall execute and deliver such additional instruments and documents as the other may reasonably request in order to carry into effect the transactions contemplated hereby.

Section 5.3 Notices. Any notice required or permitted to be delivered pursuant to the terms of this Agreement shall be considered to have been sufficiently delivered within three (3) days of the date placed in the U.S. Mail if mailed by U.S. Mail, certified or registered, postage prepaid, or on the same day sent by telecopy or email provided such is sent on a business day and the sender has received confirmation of the delivery of such telecopy or email, or one (1) business day after being entrusted for delivery with a reputable overnight courier service, and addressed as set forth below the signature of the party to whom notice is being given, or to such other address as the parties may from time to time designate by notice in writing to the other party. The Notice addresses for the Parties shall be:

If to Purchaser: DFMMJ Investments, LLC
2300 E. Las Olas Blvd, 5th Floor
Fort Lauderdale, Florida 33301
Attention: Andy DeFrancesco
Email: andy@delaesco.com

With a copy to: Brady J. Cobb, Esquire
Cobb Eddy, PLLC
642 N.E. 3rd Avenue
Fort Lauderdale, Florida 33301
Email: bcoobb@cobbEddy.com

If to Seller: Chestnut Hill Tree Farm, LLC
4652 Gulfstream Drive
Destin, Florida 32541
Email: jayodom@thejayodomgroup.com

and to

Deborah A. Gaw
Robert D. Wallace
15105 NW 94th Avenue
Alachua, Florida 32615
Email: tovkach@bellsouth.net

With a copy to: Larry Keefe, Esquire
Keefe, Anchors and Gordon, P.A.
2113 Lewis Turner Boulevard, Suite 100
Fort Walton Beach, FL 32547
Email: lkeefe@kaglawfirm.com

and to

Jim Kirkconnell, Esquire
ChildersLaw
2135 N.W. 40th Terrace, Suite B
Gainesville, Florida 32605
Email: jkirkconnell@smartbizlaw.com

Section 5.4 Headings. The headings used herein are used for convenience of reference only and shall not constitute a part of this Agreement. References to “Sections,” “schedules” and “exhibits” are references to the Sections, schedules and exhibits to this Agreement. References to this “Agreement” are references to this Agreement together with all documents, schedules and exhibits executed together herewith.

Section 5.5 Benefit. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of Seller and Purchaser. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies on any persons other than the parties hereto and their successors and assigns.

Section 5.6 Governing Law. This Agreement shall be governed by Florida law. Jurisdiction and venue for any proceeding regarding this Agreement shall be in Broward County, Florida.
Section 5.7 Expenses. Each party shall bear its own costs and expenses in connection with the negotiation, execution and performance of this Agreement.

Section 5.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 5.9 Assignment. This Agreement may not be assigned by any party without the prior written consent of the other party, which consent shall be in such party's sole discretion. If any assignment occurs pursuant to this Section, this agreement shall be binding on the assignee in question.

Section 5.10 Entire Agreement. This Agreement, together with the schedules and exhibits hereto, set forth the entire understanding and agreement between the parties hereto and shall supersede and take the place of any other instrument purporting to be an agreement between the parties hereto relating to the transactions contemplated hereby and may not be modified or terminated orally, nor shall any oral waiver be binding. The parties have not relied upon any promises, representations, warranties, agreements, covenants or undertakings other than those expressly set forth or referred to herein.

Section 5.11 Amendment. No changes of, modifications, or additions to this Agreement shall be valid unless the same shall be in writing and signed by the parties hereto.

Section 5.12 Litigation. If any litigation arises relating to this Agreement, the prevailing party shall be entitled to recover from the other party reasonable attorney's fees and court costs, including the attorney's fees and costs incurred on any appeal.

Section 5.13 Legal Representation. Seller hereby acknowledges and represents that: (a) it has been advised that this Agreement may have tax consequences; (b) it has been advised to seek the advice of independent legal and tax counsel; (c) it has had the opportunity to seek the advice of independent legal and tax counsel; and (d) it has received no representations from the Purchaser or from Cobb Eddy, PLLC concerning the tax consequences of this Agreement. The parties acknowledge that Cobb Eddy, PLLC has represented the Purchaser and Greenberg Traurig, P.A. and Keefe, Anchors and Gordon, P.A. have represented the Seller in the preparation of this Agreement and may hereafter represent the Purchaser and/or Seller. In the event of any dispute between the parties, Cobb Eddy, PLLC shall have the right to represent the Purchaser and Greenberg Traurig, P.A. and Keefe, Anchors and Gordon, P.A. shall have the right to represent the Seller in any such dispute and Purchaser and Seller expressly waive any actual or implied conflict of interest.

Section 5.14 Interpretation. This Agreement shall not be construed more strictly against one party than against the other merely because it may have been prepared by counsel for one of the parties, it being recognized that all parties have contributed substantially and materially to its preparation.

Section 5.15 Confidentiality. Seller and Purchaser hereby covenant and agree that each has disclosed or will disclose to the other confidential information of a special and unique nature
and value affecting or relating to their financial operations, including, but not limited to, their businesses, contracts, business records and other records, trade secrets, and other similar information relating to their businesses (the "Confidential Information"). Purchaser and Seller hereby covenant and agree that neither will at any time, directly or indirectly, divulge, reveal or communicate any Confidential Information of the others to any person or entity or use any Confidential Information of the others for its own benefit or for the benefit of any person or entity other than the person or entity owning such Confidential Information.

Section 5.16 Public Announcements. No party to this Agreement shall make any public announcement or disclosure (or otherwise communicate with any news media) regarding the terms or existence of this Agreement or the transactions contemplated hereby, without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed, except such consent shall not be required for (a) disclosures to third parties whose consent is required in connection with the transaction contemplated by this Agreement, and (b) disclosures required or made relative to or by law, judicial proceedings, regulatory requirement or stock exchange or stock market rule, regulation or policy.

Section 5.17 Exclusivity. Seller expressly agrees that for as long as this Agreement remains in force and valid, Seller shall not accept any other offers for the purchase and sale of the Business.

Section 5.18 No Waiver. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against whom it is asserted and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, or caused this Agreement to be duly executed by their respective authorized officer or trustee, as of the date first above written.

BY SELLER:

CHESTNUT HILL TREE FARM, LLC

By: Jax Odom
Its: Manager
Date: 3/30/2017

Robert D. Wallace, Manager

Date: ______________________

Deborah A. Gaw, Manager

Date: 3/30/17

BY PURCHASER:

DFMMJ INVESTMENTS, LLC

By: Brady J. Cobb
Its: Member and Director
Date: 3-30-17
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, or caused this Agreement to be duly executed by their respective authorized officer or trustee, as of the date first above written.

BY SELLER:

CHESTNUT HILL TREE FARM, LLC

By: Jay Odom
Its: Manager

Date: ____________________________

[Signature]
Robert D. Wallace, Manager

Date: 3/30/2017

Deborah A. Gaw, Manager

Date: ____________________________

BY PURCHASER:

DFMMJ INVESTMENTS, LLC

By: ____________________________
Its: ____________________________
Date: ____________________________