Table of Contents

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

# FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026

OR

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

For the transition period from _____ to _____

Commission File Number: 000-56225

# VIREO GROWTH INC.

(Exact name of registrant as specified in its charter)

| British Columbia, Canada | 82-3835655 |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| 207 South 9th Street, Minneapolis, MN | 55402 |
| (Address of principal executive offices) | (Zip Code) |

(612) 999-1606

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 | None | None |

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 ☐

Indicate by check mark whether the registrant has submitted electronically every 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 such files). Yes ☑ No ☐

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. ☐

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 August 14, 2026, the registrant had the following number of shares of each of its classes of registered securities outstanding: Subordinate Voting Shares – 48,049,577; Multiple Voting Shares – 7,718; and Super Voting Shares – 0.

**EXPLANATORY NOTE**

On June 1, 2026, Vireo Growth Inc. announced that its Board of Directors approved a share consolidation of its Subordinate Voting Shares, Multiple Voting Shares, and Super Voting Shares at a ratio of 30-for-1 (the "Share Consolidation"), pursuant to authority granted by shareholders at the Company's annual general and special meeting held on May 29, 2026. The Share Consolidation became effective at market open on the record date of June 5, 2026, at which time every thirty (30) issued and outstanding shares of each applicable class were consolidated into one (1) share of the same class, with no fractional shares issued. Accordingly, all share and per share amounts in this Quarterly Report on Form 10-Q have been retroactively adjusted to reflect the impact of the Share Consolidation for all periods presented herein, including the financial statements and notes thereto.

# VIREO GROWTH INC.
## TABLE OF CONTENTS


| | |
|---|---|
| **PART I - FINANCIAL INFORMATION** | 3 |
| ITEM 1 – FINANCIAL STATEMENTS | 3 |
| Condensed Consolidated Balance Sheets – June 30, 2026 (unaudited) and December 31, 2025 | 3 |
| Condensed Consolidated Statements of Net Loss and Comprehensive Loss – Three and Six Months Ended June 30, 2026 and 2025 (unaudited) | 4 |
| Condensed Statements of Changes in Stockholders' Equity (Deficiency) - Three and Six Months Ended June 30, 2026 and 2025 (unaudited) | 5 |
| Condensed Consolidated Statements of Cash Flows - Six Months Ended June 30, 2026 and 2025 (unaudited) | 6 |
| Notes to Unaudited Consolidated Financial Statements | 7 |
| ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS | 42 |
| ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK | 55 |
| ITEM 4 - CONTROLS AND PROCEDURES | 55 |
| **PART II – OTHER INFORMATION** | 56 |
| ITEM 1 - LEGAL PROCEEDINGS | 56 |
| ITEM 1A – RISK FACTORS | 56 |
| ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS | 60 |
| ITEM 5 - OTHER INFORMATION | 60 |
| ITEM 6 - EXHIBITS | 60 |
| SIGNATURES | 62 |

## PART I - FINANCIAL INFORMATION

### Item 1. Financial Statements

**VIREO GROWTH INC.**
**CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS**
**(In Millions of U.S. Dollars, except per share amounts, unaudited)**

| | June 30, 2026 | December 31, 2025 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash | $ 103.1 | $ 102.2 |
| Restricted cash | 19.6 | 20.3 |
| Marketable securities | 1.0 | 1.0 |
| Accounts receivable, net | 63.9 | 13.8 |
| Income tax receivable | 20.5 | 22.8 |
| Inventory | 149.4 | 60.0 |
| Supply Agreement Asset | 19.8 | — |
| Prepayments and other current assets | 14.1 | 3.8 |
| Warrants held | 1.4 | 1.7 |
| Notes receivable | 1.3 | 79.2 |
| Other assets | 0.4 | 0.3 |
| Total current assets | 394.5 | 305.1 |
| Property and equipment, net | 280.7 | 217.5 |
| Operating lease, right-of-use asset | 153.9 | 53.4 |
| Intangible assets, net | 218.7 | 117.5 |
| Goodwill | 161.1 | 87.5 |
| Investments | 11.7 | 6.0 |
| Deposits | 4.3 | 4.4 |
| Indemnified tax assets | 48.8 | 25.8 |
| Total assets | $ 1,273.7 | $ 817.2 |
| **Liabilities** | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | $ 125.1 | $ 50.3 |
| Convertible debt, current portion | 1.3 | 1.3 |
| Long-term debt, current portion | 41.6 | 16.3 |
| Operating lease liabilities - current | 13.4 | 3.6 |
| Contingent consideration | 36.5 | — |
| Uncertain tax liability | 172.8 | 120.0 |
| Derivative liability | — | 0.2 |
| Total current liabilities | 390.7 | 191.7 |
| Finance lease liabilities | 8.8 | 95.8 |
| Operating lease liabilities | 141.2 | 50.5 |
| Long-term debt, net | 257.2 | 127.6 |
| Convertible debt, net | 22.3 | 8.6 |
| Contingent consideration | — | 24.4 |
| Deferred tax liabilities | 9.8 | 10.2 |
| Other long-term liabilities | 1.2 | 1.0 |
| Total liabilities | 831.2 | 509.8 |
| | | |
| Commitments and contingencies | | |
| | | |
| **Stockholders' equity** | | |
| Subordinate Voting Shares ($- par value, unlimited shares authorized); (45,044,826 shares issued and outstanding at June 30, 2026, and 35,237,719 at December 31, 2025) | — | — |
| Multiple Voting Shares ($- par value, unlimited shares authorized); (7,718 shares issued and outstanding at June 30, 2026 and 7,773 at December 31, 2025) | — | — |
| Additional paid in capital | 762.5 | 607.0 |
| Accumulated deficit | (320.0) | (299.6) |
| Total stockholders' equity | $ 442.5 | $ 307.4 |
| **Total liabilities and stockholders' equity** | $ 1,273.7 | $ 817.2 |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**VIREO GROWTH INC.**
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS**
**(In Millions of U.S. Dollars, except share amounts, unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| **Revenue** | $ 209.3 | $ 48.1 | $ 315.5 | $ 72.6 |
| **Cost of sales** | | | | |
| Product costs | 110.9 | 23.7 | 157.3 | 35.4 |
| Non-cash product costs | 2.7 | 4.2 | 3.0 | 4.2 |
| Inventory valuation adjustments | 0.4 | (0.2) | 0.6 | 0.2 |
| Gross profit | 95.3 | 20.4 | 154.6 | 32.8 |
| **Operating expenses:** | | | | |
| Selling, general and administrative expenses | 75.8 | 16.6 | 113.7 | 25.5 |
| Transaction related expenses | 19.7 | 4.7 | 28.4 | 6.0 |
| Depreciation | 1.7 | 0.4 | 2.8 | 0.5 |
| Amortization | 4.4 | 0.7 | 7.1 | 0.9 |
| Total operating expenses | 101.6 | 22.4 | 152.0 | 32.9 |
| | | | | |
| **Income (loss) from operations** | (6.3) | (2.0) | 2.6 | (0.1) |
| | | | | |
| **Other income (expense):** | | | | |
| Interest expenses, net | (7.6) | (4.7) | (12.1) | (8.9) |
| Interest expense on finance lease liabilities - Minnesota & New York | (2.6) | (3.6) | (6.1) | (7.2) |
| Interest income | 0.7 | 0.6 | 1.0 | 0.9 |
| Bargain purchase gain | 21.7 | — | 21.7 | — |
| Gain (loss) on disposal of assets and debt | (0.6) | — | (0.6) | — |
| Gain (loss) on change in the fair value of contingent consideration | 2.9 | — | (2.6) | — |
| Derivative gain (loss) | 0.1 | — | 0.2 | — |
| Other income (expenses) | 5.9 | (0.4) | 5.9 | 0.4 |
| Other income (expenses), net | 20.5 | (8.1) | 7.4 | (14.8) |
| | | | | |
| Income (loss) before income taxes | 14.2 | (10.1) | 10.0 | (14.9) |
| | | | | |
| Deferred income tax recoveries (expenses) | 5.7 | — | 7.9 | — |
| Current income tax expenses | (20.0) | (4.8) | (38.3) | (6.5) |
| Net income (loss) and comprehensive income (loss) | (0.1) | (14.9) | (20.4) | (21.4) |
| Net income (loss) per share - basic and diluted | $ (0.00) | $ (0.80) | $ (0.50) | $ (1.38) |
| Weighted average shares used in computation of net loss per share - basic and diluted | 45,086,651 | 18,636,580 | 40,575,898 | 15,463,381 |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

**VIREO GROWTH INC.**
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**
**(In Millions of U.S. Dollars, except share amounts, unaudited)**

| | Common Stock | | | | | | |
|---|---|---|---|---|---|---|---|
| | SVS | | MVS | | | | |
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Accumulated Deficit | Total Stockholders' Equity |
| Balance, January 1, 2025 | 11,250,423 | $ — | 9,512 | $ — | $ 287.0 | $ (231.5) | $ 55.5 |
| Conversion of MVS shares | 85,797 | — | (858) | — | — | — | — |
| Stock-based compensation | — | — | — | — | 5.6 | — | 5.6 |
| Stock issuance | 58,400 | — | — | — | — | — | — |
| Net settlement of stock-based compensation | (12,196) | — | — | — | (0.1) | — | (0.1) |
| Options exercised | 14,952 | — | — | — | 0.1 | — | 0.1 |
| Warrants exercised | 8,854 | — | — | — | — | — | — |
| Shares issued in Wholesome acquisition | 4,474,333 | — | — | — | 51.8 | — | 51.8 |
| Shares issued in Proper acquisition | 6,540,409 | — | — | — | 76.2 | — | 76.2 |
| Shares issued in Deep Roots acquisition | 8,373,668 | — | — | — | 100.9 | — | 100.9 |
| Net Loss | — | — | — | — | — | (21.4) | (21.4) |
| Balance at June 30, 2025 | 30,794,640 | $ — | 8,654 | $ — | $ 521.5 | $ (252.9) | $ 268.6 |
| | | | | | | | |
| Balance, January 1, 2026 | 35,237,719 | — | 7,773 | — | 607.0 | (299.6) | 307.4 |
| Conversion of MVS shares | 2,340 | — | (23) | — | — | — | — |
| Stock-based compensation | — | — | — | — | 14.5 | — | 14.5 |
| Settlement of dilutive securities | 124,634 | — | — | — | — | — | — |
| Net settlement of stock-based compensation | (1,460) | — | — | — | — | — | — |
| Shares issued to joint venture partner | 37,035 | — | — | — | 0.4 | — | 0.4 |
| Shares and RSUs issued in Eaze acquisition | 2,711,388 | — | — | — | 35.7 | — | 35.7 |
| Shares and warrants issued in Hawthorne acquisition | 6,933,333 | — | — | — | 104.9 | — | 104.9 |
| Effect of share consolidation, including rounding of fractional shares | (163) | — | (32) | — | — | — | — |
| Net Loss | — | — | — | — | — | (20.4) | (20.4) |
| Balance at June 30, 2026 | 45,044,826 | $ — | 7,718 | $ — | $ 762.5 | $ (320.0) | $ 442.5 |

| | Common Stock | | | | | | |
|---|---|---|---|---|---|---|---|
| | SVS | | MVS | | | | |
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Accumulated Deficit | Total Stockholders' Equity (deficiency) |
| Balance, April 1, 2025 | 11,315,843 | $ — | 9,272 | $ — | $ 288.5 | $ (238.0) | $ 50.5 |
| Conversion of MVS shares | 61,793 | — | (618) | — | — | — | — |
| Stock-based compensation | — | — | — | — | 4.1 | — | 4.1 |
| Options exercised | 10,330 | — | — | — | — | — | — |
| Shares issued | 22,471 | — | — | — | — | — | — |
| Net settlement of stock-based compensation | (4,208) | — | — | — | — | — | — |
| Shares issued in Wholesome acquisition | 4,474,333 | — | — | — | 51.8 | — | 51.8 |
| Shares issued in Proper acquisition | 6,540,409 | — | — | — | 76.2 | — | 76.2 |
| Shares issued in Deep Roots acquisition | 8,373,668 | — | — | — | 100.9 | — | 100.9 |
| Net Loss | — | — | — | — | — | (14.9) | (14.9) |
| Balance at June 30, 2025 | 30,794,640 | $ — | 8,654 | $ — | $ 521.5 | $ (252.9) | $ 268.6 |
| | | | | | | | |
| Balance, April 1, 2026 | 35,240,059 | $ — | 7,750 | $ — | $ 614.0 | $ (319.9) | $ 294.1 |
| Stock-based compensation | — | — | — | — | 7.5 | — | 7.5 |
| Settlement of dilutive securities | 123,174 | — | — | — | — | — | — |
| Net settlement of stock-based compensation | — | — | — | — | — | — | — |
| Shares issued to joint venture partner | 37,035 | — | — | — | 0.4 | — | 0.4 |
| Shares issued in Eaze acquisition | 2,711,388 | — | — | — | 35.7 | — | 35.7 |
| Shares issued in Hawthorne acquisition | 6,933,333 | — | — | — | 104.9 | — | 104.9 |
| Effect of share consolidation, including rounding of fractional shares | (163) | — | (32) | — | — | — | — |
| Net Loss | — | — | — | — | — | (0.1) | (0.1) |
| Balance at June 30, 2026 | 45,044,826 | $ — | 7,718 | $ — | $ 762.5 | $ (320.0) | $ 442.5 |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**VIREO GROWTH INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(In Millions of U.S. Dollars, unaudited)**

| | Six Months Ended June 30, | |
|---|---|---|
| | 2026 | 2025 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net loss | $ (20.4) | $ (21.4) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Non-cash amortization of inventory step up included in product costs | 3.0 | 4.2 |
| Inventory valuation adjustments | 0.6 | 0.2 |
| Depreciation | 2.8 | 0.5 |
| Depreciation capitalized into inventory | 7.1 | 1.4 |
| Non-cash operating lease expense | 5.2 | 0.5 |
| Amortization of intangible assets | 7.1 | 0.9 |
| Stock-based compensation | 14.5 | 5.5 |
| (Gain) loss on warrants held | 0.3 | 1.0 |
| Deferred income tax expense (benefit) | (7.9) | — |
| Derivative (gain) loss | (0.2) | — |
| Bargain purchase gain | (21.7) | — |
| Interest expense | 2.7 | 2.5 |
| Bad debt expense | 0.4 | 0.1 |
| Accretion of interest on right-of-use finance lease liabilities | — | 0.1 |
| (Gain) loss on change in the fair value of contingent consideration | 2.6 | — |
| Loss (gain) on disposal of assets | 0.6 | — |
| Change in operating assets and liabilities, net of acquisitions: | | |
| Accounts receivable | (14.1) | (2.3) |
| Prepaid expenses | 4.2 | 0.3 |
| Inventory | (7.6) | 1.2 |
| Purchase of marketable securities | — | (1.0) |
| Income taxes | 2.3 | (1.5) |
| Uncertain tax position liabilities | 29.8 | 5.4 |
| Accounts payable and accrued liabilities | 8.0 | (0.3) |
| Changes in operating lease liabilities | (5.0) | (0.8) |
| Change in assets and liabilities held for sale | — | (4.7) |
| Net cash provided by (used in) operating activities | 14.3 | (8.2) |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Purchases of property, plant, and equipment | (119.0) | (4.8) |
| Acquisition of Vireo Health of Rocky Mountain, net of cash paid | 18.2 | — |
| Acquisition of Eaze, net of cash paid | 6.9 | — |
| Acquisition of Hawthorne, net of cash paid | 35.0 | — |
| Acquisition of Bridgewell, net of cash paid | 1.9 | — |
| Acquisition of Wholesome, net of cash paid | — | 7.0 |
| Acquisition of Deep Roots, net of cash paid | — | 19.0 |
| Acquisition of Proper, net of cash paid | — | 12.3 |
| Investment in equity method investee | (4.9) | — |
| Capitalized software development costs | (0.6) | (0.3) |
| Proceeds from sale of assets held for sale | — | — |
| Deposits | 0.8 | (0.3) |
| Net cash provided by (used in) investing activities | (61.7) | 32.9 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from long-term debt, net of issuance costs | 87.1 | (0.3) |
| Proceeds from option exercises | — | 0.1 |
| Debt principal payments | (39.4) | (10.0) |
| Lease principal payments | (0.1) | — |
| Net cash provided by (used in) financing activities | 47.6 | (10.2) |
| Net change in cash | 0.2 | 14.5 |
| Cash and restricted cash, beginning of period | 122.5 | 91.6 |
| Cash and restricted cash, end of period | $ 122.7 | $ 106.1 |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**VIREO GROWTH INC.**
**Notes to Unaudited Condensed Consolidated Financial Statements**
*(Amounts in millions, except share and per share data)*

## 1. Description of Business and Summary

Vireo Growth Inc. ("**Vireo Growth**" or the "**Company**") was incorporated under the Alberta Business Corporations Act on November 23, 2004, and continued under the British Columbia Corporations Act on December 9, 2013. The Company's subordinate voting shares are listed on the Canadian Securities Exchange (the "**CSE**") and quoted on the OTCQX under the ticker symbols "VREO" and "VREOF", respectively.

Vireo Growth was founded in 2014 as a medical cannabis company and has since developed a disciplined, strategically aligned platform within the cannabis industry. The Company's mission is to provide safe access, quality products, and value to its customers. Vireo Growth operates cultivation, production, and dispensary facilities in California, Colorado, Florida, Maryland, Minnesota, Missouri, Nevada, New Mexico, New York, and Utah. The Company allocates capital and talent to areas expected to generate long-term value.

On April 8, 2026, the Company completed the acquisition of The Hawthorne Gardening Company LLC and certain of its subsidiaries ("**Hawthorne**") from The Scotts Miracle-Gro Company. On June 5, 2026, the Company completed the acquisition of all of the issued and outstanding partnership interests of Agribusiness Holdings Limited Partnership, including its subsidiary Bridgewell Agribusiness LLC and certain other subsidiaries ("**Bridgewell**"). Together, these acquisitions represent the Company's strategic expansion into operations outside of the cannabis industry, and create a new non-cannabis reportable segment.

Hawthorne is a leading provider of nutrients, lighting, and other materials used for indoor and hydroponic gardening in North America. Bridgewell is a global supplier of organic, non-GMO, and conventional food and agricultural products, including natural ingredients such as grains, flours, edible oils, beans, nuts, and specialty ingredients, serving food manufacturers and retailers. See Note 3 for additional information regarding the acquisitions and Note 18 for segment information.

On June 1, 2026, Vireo Growth announced that its Board of Directors (the "**Board**") approved a share consolidation of its Subordinate Voting Shares, Multiple Voting Shares, and Super Voting Shares at a ratio of 30-for-1 (the "**Share Consolidation**"), pursuant to authority granted by the shareholders at the Company's annual general and special meeting held on May 29, 2026. The Share Consolidation became effective at market open on the record date of June 5, 2026, at which time every thirty (30) issued and outstanding shares of each applicable class were consolidated into one (1) share of the same class, with no fractional shares issued. Accordingly, all share and per share amounts have been retroactively adjusted to reflect the impact of the Share Consolidation for all periods presented herein. Refer to Note 13 – Stockholders' Equity for additional information about the Share Consolidation.

While marijuana and CBD-infused products are legal under the laws of several U.S. states (with vastly differing restrictions), the United States Federal Controlled Substances Act (the "**CSA**") classifies all "marijuana" as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, has no accepted medical use in the United States, and lacks accepted safety for use under medical supervision. Recent federal action regarding rescheduling, however, expressly acknowledges the distinction between medical cannabis and adult-use cannabis by indicating that medical cannabis as an accepted use for treating certain conditions.

On May 16, 2024, the Drug Enforcement Administration ("**DEA**") issued a Notice of Proposed Rulemaking ("**NPRM**") to reschedule marijuana from Schedule I to Schedule III under the CSA. On December 18, 2025, President Trump issued an executive order directing the United States Department of Justice to move forward with rescheduling marijuana to Schedule III as quickly as possible, consistent with federal law.

On April 28, 2026, the DEA issued a final rule that rescheduled to Schedule III (i) U.S. Food and Drug Administration ("**FDA**")-approved drug products containing marijuana and (ii) marijuana in any form covered by a state medical

marijuana license. To enable state-licensed medical marijuana entities to operate compliantly under Schedule III, the DEA also created a new pathway for state-licensed medical marijuana operators to apply for registration to operate as manufacturers, distributors, and/or dispensers. The final rule indicates that the DEA will process registration applications from “early applicants” (i.e., applicants that submit in the first 60 days) within six months, and all such “early applicants” may continue operating during the pendency of review.

Notably, as a consequence of the partial rescheduling, state medical marijuana licensees will no longer be subject to the deduction disallowance under Section 280E of the U.S. Internal Revenue Code. This will allow state-licensed medical marijuana entities to deduct ordinary and necessary business expenses in the same manner currently allowed for other industries. See Note 22 – Income Taxes for further discussion.

Importantly, adult-use marijuana remains a Schedule I substance, regardless of state licensure. Future rescheduling of adult-use marijuana to Schedule III remains subject to rulemaking process.

**2. Summary of Significant Accounting Policies**

***Significant Accounting Policies***

The Company’s significant accounting policies are described in Note 2 to the Company’s consolidated financial statements included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the United States Securities and Exchange Commission (“**SEC**”) on March 17, 2026, (the "**Annual Financial Statements**"). There have been no material changes to the Company’s significant accounting policies except as noted below.

***Segment Information***

As a result of the Company's acquisitions of Hawthorne in April 2026 and Bridgewell in June 2026, the Company expanded its operations beyond cannabis into the supply of horticultural and agricultural products to a broader customer base outside of the cannabis industry. Following these acquisitions, the Company reassessed its segment structure in accordance with Accounting Standards Codification (“**ASC**”) 280, *Segment Reporting*, and determined that it has two reportable segments: (i) Cannabis, which cultivates, processes, and distributes medical and adult-use cannabis products and related accessories in the United States, and (ii) Non-Cannabis, which provides nutrients, lighting, and other materials used for indoor and hydroponic gardening, and supplies organic and non-GMO agricultural commodities and food ingredients to manufacturers in the United States. The Company's Chief Executive Officer continues to serve as the Company's Chief Operating Decision Maker ("CODM"), and assesses segment performance and allocates resources primarily based on segment operating income (loss), but also based on segment revenues, product costs, operating expenses and gross profit, which is reconciled to consolidated net income (loss) as reported on the statement of net loss and comprehensive loss. See Note 18 – Segment Information for additional disclosures required by ASC 280, including the significant expense categories reviewed by the CODM and segment net income (loss) reconciled to consolidated results.

***Equity Method Investments***

On June 18, 2026, the Company acquired an indirect 49% equity interest in HA-MD, LLC ("HA-MD"), the sole owner of Chesapeake Integrated Health Institute, LLC and Maryland Alternative Relief, LLC, pursuant to a membership interest purchase agreement dated November 3, 2025 (the "HA-MD Transaction"). HA-MD operates two dispensaries in Maryland. As consideration, the Company issued 37,035 shares valued at $0.4 million, issued a $0.4 million promissory note, and paid $0.4 million in cash to the sellers. In addition, the Company invested $4.9 million in HA-MD to repay all outstanding debt obligations and fund certain capital expenditures. The Company concluded it does not have control but does have the ability to exercise significant influence over the operating and financial policies of HA-MD the investee, and accordingly accounts for this investment under the equity method in accordance with ASC 323, *Investments—Equity Method and Joint Ventures*. Under the equity method, the investment is initially recorded at cost and subsequently adjusted for the Company's proportionate share of the investee's net income or loss, which is recognized within equity in earnings (losses) of equity method investee in the condensed consolidated statements of operations, as well as for contributions made, distributions received, and other comprehensive income items, if any. The Company evaluates its equity method

investment for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable, and records an impairment charge if a decline in value is determined to be other-than-temporary.

***Basis of presentation***

The accompanying interim unaudited condensed consolidated financial statements reflect the accounts of the Company. The information included in these statements should be read in conjunction with the Annual Financial Statements. The unaudited condensed consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States of America ("**GAAP**") and pursuant to the rules and regulations of the SEC. In the opinion of management, the financial data presented includes all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented. Results of interim periods should not be considered indicative of the results for the full year. These unaudited interim condensed consolidated financial statements include estimates and assumptions of management that affect the amounts reported in the unaudited condensed consolidated financial statements. Actual results could differ from these estimates.

***Basis of consolidation***

These unaudited condensed consolidated financial statements include the accounts of the entities that were wholly owned, or effectively controlled by the Company during the period ended June 30, 2026.

***Variable Interest Entities***

The Company consolidates entities in which it holds a variable interest and is the primary beneficiary. On March 31, 2026, the Company's subsidiary transferred a 51% equity interest in Vireo Health of New York LLC ("VHNY") to a third party, retaining the remaining 49% equity interest. The Company determined that VHNY is a VIE and that it remains the primary beneficiary based on its power to direct VHNY's most significant activities and its obligation to absorb losses and right to receive benefits that could be significant to VHNY. Accordingly, the Company continues to consolidate VHNY. Total VHNY assets and liabilities consolidated as of June 30, 2026, were $28.8 million and $6.1 million, respectively.

The entity listed above was formed or acquired to support the intended operations of the Company. All intercompany transactions and balances have been eliminated from the Company's unaudited condensed consolidated financial statements.

***Recently adopted accounting pronouncements***

None.

***Net loss per share***

Basic net loss per share is computed by dividing reported net loss by the weighted average number of common shares outstanding for the reported period. Diluted net loss per share reflects the potential dilution that could occur if securities or other contracts to issue subordinate voting shares were exercised or converted into subordinate voting shares of the Company during the reporting period. Diluted net loss per share is computed by dividing net loss by the sum of the weighted average number of subordinate voting shares and the number of potential dilutive subordinate voting share equivalents outstanding during the period. Potential dilutive subordinate voting share equivalents consist of stock options, warrants, convertible debt, and restricted stock units ("**RSUs**").

In computing diluted earnings per share, subordinate voting share equivalents are not considered in periods in which a net loss is reported, as the inclusion of the subordinate voting share equivalents would be anti-dilutive. The Company recorded a net loss for the three and six month periods ended June 30, 2026 and 2025, as presented in these financial statements, and as such there is no difference between the Company's basic and diluted net loss per share for these periods.

The anti-dilutive shares outstanding as of June 30, 2026 and 2025, were as follows:

| | As of June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Stock options | 1,091,449 | 1,011,968 |
| Warrants | 3,183,465 | 618,053 |
| RSUs | 2,098,159 | 2,403,272 |
| Convertible debt | 1,249,075 | 533,333 |
| Shares in escrow | 467,932 | — |
| Contingent consideration | 1,158,658 | 337,492 |
| Total | 9,248,738 | 4,904,118 |

***Revenue Recognition***

The Company's primary source of revenue is from the wholesale of cannabis products to dispensary locations and direct retail sales to eligible customers at Company-owned dispensaries. Substantially all of the Company's retail revenue is from the direct sale of cannabis products to adult-use and medical customers.

The following table represents the Company's disaggregated revenue by source:

| | Six Months Ended June 30, | | Three Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Retail - Cannabis | $ 244.0 | $ 56.0 | $ 154.1 | $ 36.8 |
| Wholesale - Cannabis | 38.0 | 16.6 | 21.7 | 11.3 |
| Non-Cannabis | 33.5 | — | 33.5 | — |
| Total | $ 315.5 | $ 72.6 | $ 209.3 | $ 48.1 |

***New accounting pronouncements not yet adopted***

In November 2024, the Financial Accounting Standards Board ("**FASB**") issued Accounting Standards Update ("**ASU**") 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures* ("**ASU 2024-03**"), which requires disaggregated disclosures of certain costs and expenses, including purchases of inventory, employee compensation, depreciation, amortization and depletion, within relevant income statement captions. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods beginning with the first quarter ended March 31, 2027. Early adoption and retrospective application is permitted. The Company is currently evaluating the impact of this guidance on the Company's future consolidated financial statements.

**3. Business Combinations and Dispositions**

**Acquisitions**

*Eaze*

On December 22, 2025, the Company entered into an agreement and plan of merger (the "**Eaze Initial Merger Agreement**") to acquire Eaze Inc. ("**Eaze**"), a vertically-integrated cannabis retailer and delivery technology platform with operations in California, Florida, and Colorado, pursuant to which a wholly-owned subsidiary of the Company would merge with and into Eaze, with Eaze surviving as a wholly-owned subsidiary of the Company (the "**Eaze Merger**"). On April 1, 2026, the Eaze Initial Merger Agreement was subsequently amended by an Amendment to the Eaze Initial Merger Agreement (the "**Eaze Amendment**" and together with the Eaze Initial Merger Agreement, the "**Eaze Merger**

**Agreement**"), which amended the earnout payment calculation mechanics under the Eaze Initial Merger Agreement and effected certain conforming changes.

On April 1, 2026, the Eaze Merger was completed. The Company completed the Eaze Merger primarily to expand its retail and delivery platform capabilities and accelerate its entry into the California and Florida cannabis markets, two of the largest regulated cannabis markets in the United States, while deepening its existing presence in Colorado. Pursuant to the Eaze Merger Agreement, the Company issued 3,012,653 subordinate voting shares (the "**Eaze Shares**"). Of the Eaze Shares issued, 2,711,388 were delivered to Odyssey Trust Company in its capacity as payment agent for distribution to former Eaze stockholders, and 301,265 (representing 10% of the Eaze Shares issued as part of the Estimated Closing Merger Consideration (as defined in the Eaze Merger Agreement)) were delivered to Odyssey Trust Company as escrow agent. The Eaze Shares issued in respect of the Estimated Closing Merger Consideration remain subject to a post-closing purchase price adjustment. Pursuant to the Eaze Merger Agreement, former stockholders of Eaze may receive additional subordinate voting shares of the Company pursuant to earnout payments following December 31, 2026, adjusted for certain items as described in the Earn-Out Amount (as defined in the Eaze Merger Agreement) in the Eaze Merger Agreement, including certain fees payable in connection with the above purchase price adjustment if not otherwise paid by the stockholder representative, certain equipment lease expenses, and tax items, and paid out using a share price for the subordinate voting shares of the Company of the higher of $31.50 or the 20-day volume weighted average price of the subordinate voting shares of the Company as of the trading day immediately prior to December 31, 2026. In no event shall the number of subordinate voting shares of the Company issued in respect of earnout payments under the Eaze Merger Agreement exceed the number of subordinate voting shares of the Company issued as closing merger consideration under the Eaze Merger Agreement.

The Company analyzed the acquisition under ASU 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business, and determined that the Eaze Merger should be accounted for as a business combination. Goodwill represents the premium the Company paid over the fair value of the net tangible and intangible assets acquired. The goodwill arising from the Eaze Merger, which relates to the cannabis segment, primarily consists of the synergies and economies of scale expected from combining the operations of the Company and Eaze, including expanding the Company's retail and delivery footprint into California and Florida, acquiring an assembled workforce, and enhancing the Company's intellectual property portfolio. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Of the total goodwill recognized, $0 is expected to be deductible for income tax purposes.

The following table summarizes the allocation of consideration exchanged for the estimated fair value of tangible and identifiable intangible assets acquired and liabilities assumed. The fair values were determined based upon a preliminary valuation and the estimates and assumptions used in such valuation are pending completion and subject to change. Certain estimated values for the Eaze Merger, including the valuation of intangibles and income taxes (including deferred taxes and associated valuation allowances), are not yet finalized, and the preliminary purchase price allocations are subject to change as the Company completes its analysis of the fair value at the date of acquisition. The Company will continue to obtain information necessary to finalize the fair values, which may differ materially from these preliminary estimates. The final valuation will be completed within the one-year measurement period, and any measurement period adjustments will be applied in the reporting period in which the adjustments are determined.

| | Eaze |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 6.9 |
| Inventory | 10.5 |
| Receivables | 1.5 |
| Other current assets | 1.8 |
| Property and equipment | 25.6 |
| Operating lease, right-of-use asset | 64.3 |
| Deposits | 1.5 |
| Indemnified Tax Asset | 23.0 |
| Deferred tax asset | 0.8 |
| Intangible assets | 9.9 |
| Goodwill | 13.7 |
| Total assets | 159.5 |
| **Liabilities** | |
| Accounts payable and accrued liabilities | 27.0 |
| Right-of-use liability | 64.3 |
| Uncertain tax liability | 23.0 |
| Total liabilities | 114.3 |
| **Net assets acquired** | **$ 45.2** |
| | |
| **Consideration:** | |
| Share consideration | $ 35.7 |
| Contingent consideration | 9.5 |
| **Total Consideration** | **$ 45.2** |

The acquired intangible assets include cannabis licenses and developed technology which are treated as definite-lived intangible assets amortized over a 15-year useful life. The fair value of the cannabis licenses and developed technology was determined using Level 3 inputs, as the valuation relied on unobservable inputs reflecting management's assumptions about the assumptions that market participants would use in pricing the assets.

The consideration for the Eaze Merger includes a potential earn-out payment based upon the achievement of certain milestones and relative thresholds during the earn out measurement period which ends on December 31, 2026, the fair value of which on the acquisition date is $9.5 million. The fair value of the contingent consideration arrangement was classified within Level 3 and was determined using a probability-based scenario analysis approach. As of June 30, 2026, the fair value of the contingent consideration was $8.3 million with amounts recorded in current liabilities in the Unaudited Condensed Consolidated Balance Sheets. During the three and six months ended June 30, 2026, the Company recognized a gain (loss) of $1.2 million related to the change in the fair value of contingent consideration in earnings related to the remeasurement of this liability

As part of the Eaze Merger, the Eaze stockholders contractually agreed to indemnify the Company for certain pre-closing liabilities, including those related to unpaid uncertain tax liabilities. On April 1, 2026, the Company recognized a liability of $23.0 million for uncertain taxes payable related to the pre-acquisition periods in accordance with ASC 740, Income Taxes. Consistent with the provisions of ASC 805-20-25-27, the Company also recognized a corresponding indemnification asset of $23.0 million, measured on the same basis as the related liability.

The indemnification asset was classified as a non-current asset in the Company’s condensed consolidated balance sheet as of June 30, 2026, and will be adjusted in future periods if the related liability is settled, released, or remeasured. Changes in the fair value of the indemnification asset, if any, will be recorded in earnings in the same financial statement line item as the change in the related liability. As of June 30, 2026, there have been no changes in the estimated amount of indemnified tax exposure or the related asset.

Since the acquisition date, Eaze contributed revenue of $34.8 million and net loss of $1.8 million to the Company's consolidated statement of operations for the three and six months ended June 30, 2026.

*Supplemental pro forma information (unaudited) for Eaze*

The following unaudited pro forma information gives effect to the Eaze Merger as if it had occurred on January 1, 2025, and includes adjustments for amortization on acquired intangible assets, transaction expenses, and related tax effects. This information is presented for informational purposes only and is not necessarily indicative of actual or future results of operations.

Proforma revenues attributable to subordinate voting shareholders for the three and six month periods ended June 30, 2026, were $209.3 million and $350.8 million, respectively. Proforma net loss attributable to subordinate voting shareholders for the three and six month period ended June 30, 2026 was $0.1 million and $20.9 million, respectively.

Proforma revenues attributable to subordinate voting shareholders for the three and six month periods ended June 30, 2025, were $82.3 million and $141.5 million, respectively. Proforma net loss attributable to subordinate voting shareholders for the three and six month period ended June 30, 2025 was $26.5 million and $38.6 million, respectively.

*Hawthorne*

On April 8, 2026, the Company completed the acquisition of all of the issued and outstanding equity interests of The Hawthorne Gardening Company LLC and its direct subsidiaries, HGCI LLC and Hawthorne Hydroponics LLC (collectively, "**Hawthorne**"), from a subsidiary of The Scotts Miracle-Gro Company ("**SMG**") pursuant to a Securities Purchase Agreement (the "**Hawthorne SPA**"), which was entered into on April 8, 2026 (the "**Hawthorne Acquisition**"). Hawthorne is a leading provider of nutrients, lighting, and other materials used for indoor and hydroponic gardening in North America.

Pursuant to the Hawthorne SPA, the Company issued 7,100,000 subordinate voting shares (the "**Hawthorne Shares**") to Good Dog Holdings LLC, as SMG's designee. Of the Hawthorne Shares issued, 166,667 were placed in escrow, subject to customary post-closing purchase price adjustments. In addition, the Company issued warrants to purchase 2,666,667 subordinate voting shares (the "Hawthorne Warrants") at an exercise price of $25.50 per share with a five-year term. The Hawthorne Warrants were measured at fair value as of the acquisition date using the Black-Scholes option-pricing model, with the following key assumptions: stock price of $11.79, exercise price of US$25.50, expected term of 5 years, risk-free interest rate of 3.95%, expected volatility of 100%, and an expected dividend yield of 0%. The resulting fair value was included as a component of total consideration transferred.

The Company determined that the Hawthorne Acquisition should be accounted for as a business combination. The fair value of the identifiable net assets acquired exceeded the fair value of the consideration transferred, resulting in a bargain purchase. In accordance with ASC 805, before recognizing a gain on bargain purchase, the Company reassessed whether all assets acquired and liabilities assumed had been identified and whether the recognition and measurement of those identifiable assets acquired, liabilities assumed, and the consideration transferred, including the valuation of the Company's equity issued as consideration, were appropriately measured as of the acquisition date. After completing this reassessment, the Company concluded that the measurements were appropriate and recognized the resulting excess of $21.7 million as a gain on bargain purchase within other income on the condensed consolidated statement of net loss and comprehensive loss for the three and six months ended June 30, 2026. No goodwill was recorded in connection with the Hawthorne Acquisition. The bargain purchase gain arose primarily because the Hawthorne Shares were valued for accounting purposes based on the Company's closing share price of $11.79 immediately prior to the acquisition date, which was lower than the $18.00 deemed price per share negotiated by the parties under the Hawthorne SPA for purposes of determining the number of subordinate voting shares issued.

The following table summarizes the allocation of consideration exchanged for the estimated fair value of tangible and identifiable intangible assets acquired and liabilities assumed. The fair values were determined based upon a preliminary valuation and the estimates and assumptions used in such valuation are pending completion and subject to change. Certain estimated values for the Hawthorne Acquisition, including the valuation of intangibles and income taxes (including deferred taxes and associated valuation allowances), are not yet finalized, and the preliminary purchase price allocations

are subject to change as the Company completes its analysis of the fair value at the date of acquisition. The Company will continue to obtain information necessary to finalize the fair values, which may differ materially from these preliminary estimates. The final valuation will be completed within the one-year measurement period, and any measurement period adjustments will be applied in the reporting period in which the adjustments are determined.

| | Hawthorne |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 35.0 |
| Inventory | 50.4 |
| Receivables | 23.4 |
| Inventory supply agreement asset | 21.1 |
| Prepaid expenses and other current assets | 4.9 |
| Property and equipment | 7.7 |
| Operating lease, right-of-use asset | 12.0 |
| Intangible assets | 6.9 |
| Total assets | 161.4 |
| **Liabilities** | |
| Accounts payable and accrued liabilities | 14.6 |
| Deferred tax liabilities | 8.2 |
| Right-of-use liability | 12.0 |
| Total liabilities | 34.8 |
| **Net assets acquired** | **$ 126.6** |
| | |
| **Consideration:** | |
| Share and warrant consideration | $ 104.9 |
| Bargain purchase gain | 21.7 |
| **Total Consideration** | **$ 126.6** |

The Company identified one identifiable intangible asset acquired in connection with the Hawthorne acquisition: customer relationships, valued at approximately $6.9 million. The customer relationship intangible asset was valued using an income approach, reflecting the estimated future cash flows expected to be derived from the acquired customer relationships, and is being amortized on a straight-line basis over an estimated useful life of eight years, consistent with the pattern in which the economic benefits of the customer relationships are expected to be realized.

In connection with the Hawthorne Acquisition, the Company entered into a letter agreement with SMG pursuant to which SMG would provide the Company with credit for $22.5 million of services and products under a contract manufacturing agreement to be provided over two years, subject to a utilization cap of $5.5 million per six-month period plus limited rollover. Any unused credit at the end of the term is forfeited. Consideration for this arrangement was provided via the shares and warrants issued in connection with the Hawthorne Acquisition.

Since the acquisition date, Hawthorne contributed revenue of $24.8 million and net loss of $0.2 million to the Company's consolidated statement of operations for the three and six months ended June 30, 2026.

*Supplemental pro forma information (unaudited) for Hawthorne*

The following unaudited pro forma information gives effect to the Hawthorne Acquisition as if it had occurred on January 1, 2025, and includes adjustments for amortization on acquired intangible assets, transaction expenses, and related tax effects. This information is presented for informational purposes only and is not necessarily indicative of actual or future results of operations.

Proforma revenues attributable to subordinate voting shareholders for the three and six month periods ended June 30, 2026, were $211.1 million and $343.9 million, respectively. Proforma net income (loss) attributable to subordinate voting shareholders for the three and six month period ended June 30, 2026 was $0.4 million and ($11.2) million, respectively.

Proforma revenues attributable to subordinate voting shareholders for the three and six month periods ended June 30, 2025, were $78.4 million and $133.8 million, respectively. Proforma net loss attributable to subordinate voting shareholders for the three and six month period ended June 30, 2025 was $15.2 million and $30.6 million, respectively.

*Bridgewell*

On June 5, 2026, the Company completed the acquisition of all of the issued and outstanding partnership interests of Agribusiness Holdings Limited Partnership, including its subsidiary Bridgewell Agribusiness LLC and certain other subsidiaries (collectively, "**Bridgewell**") from certain sellers named therein (the "**Bridgewell Sellers**"), pursuant to a Securities Purchase Agreement (the "**Bridgewell SPA**"), which was entered into on June 5, 2026
(the "**Bridgewell Acquisition**"). Bridgewell is a supplier of organic and non-GMO agricultural commodities and food ingredients to manufacturers.

The aggregate consideration for the Bridgewell Acquisition was based on a base purchase price of $40.0 million, subject to adjustments for assumed indebtedness remaining outstanding following closing and the assumption of certain transaction expenses. After giving effect to such adjustments, the closing purchase price was approximately $14.3 million. At closing, the Company issued to the Bridgewell Sellers unsecured, subordinated convertible promissory notes (collectively, the "**Bridgewell Convertible Notes**") with an aggregate principal amount equal to the closing purchase price, in proportion to each Bridgewell Seller's pro rata interest. The Bridgewell Convertible Notes will convert on or after the second anniversary of closing into an aggregate estimated 734,551 subordinate voting shares of the Company at a deemed conversion price of $18.60 per share, subject to final adjustment in accordance with the terms of the Bridgewell SPA. In addition, a subordinated promissory note was issued by Agribusiness Holdings Limited Partnership in favor of one of the Bridgewell Sellers, which constitutes additional assumed indebtedness.

The Company determined that the Bridgewell Acquisition should be accounted for as a business combination. Goodwill represents the premium the Company paid over the fair value of the net tangible and identifiable intangible assets acquired. The goodwill arising from the Bridgewell Acquisition primarily consists of the synergies and economies of scale expected from combining the operations of the Company and Bridgewell, including expanding the Company's ancillary supply chain and procurement platform, deepening existing supplier relationships, and acquiring an assembled workforce. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Of the total goodwill recognized, $21.5 million is expected to be deductible for income tax purposes.

The following table summarizes the allocation of consideration exchanged for the estimated fair value of tangible and identifiable intangible assets acquired and liabilities assumed. The fair values were determined based upon a preliminary valuation and the estimates and assumptions used in such valuation are pending completion and subject to change. Certain estimated values for the Bridgewell Acquisition, including the valuation of intangibles and income taxes (including deferred taxes and associated valuation allowances), are not yet finalized, and the preliminary purchase price allocations are subject to change as the Company completes its analysis of the fair value at the date of acquisition. The Company will continue to obtain information necessary to finalize the fair values, which may differ materially from these preliminary estimates. The final valuation will be completed within the one-year measurement period, and any measurement period adjustments will be applied in the reporting period in which the adjustments are determined.

| | Bridgewell |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 1.6 |
| Restricted cash | 0.4 |
| Inventory | 10.0 |
| Receivables | 10.1 |
| Other current assets | 5.7 |
| Property and equipment | 0.2 |
| Operating lease, right-of-use asset | 2.4 |
| Intangible assets | 12.2 |
| Goodwill | 21.8 |
| Total assets | 64.4 |
| **Liabilities** | |
| Accounts payable and accrued liabilities | 16.6 |
| Right-of-use liability | 2.4 |
| Long-term debt, net | 31.1 |
| Total liabilities | 50.1 |
| **Net assets acquired** | **$ 14.3** |
| | |
| **Consideration:** | |
| Convertible debt | $ 14.3 |
| **Total Consideration** | **$ 14.3** |

Customer relationships represent Bridgewell's established relationships with manufacturer customers for organic and non-GMO agricultural commodities and food ingredients. The customer relationships were valued at approximately $7.7 million using the multi-period excess earnings method, a Level 3 valuation technique, and are being amortized on a straight-line basis over an estimated useful life of 8 years, representing the period over which the Company expects to receive economic benefit from the acquired customer relationships.

The trademark represents the Bridgewell trade name and associated brand recognition in the organic and non-GMO agricultural commodities and food ingredients market. The trademark was valued at approximately $4.5 million using the relief-from-royalty method, a Level 3 valuation technique, and is being amortized on a straight-line basis over an estimated useful life of 11 years.

Since the acquisition date, Bridgewell contributed revenue of $8.7 million and net loss of $0.1 million to the Company's consolidated statement of operations for the three and six months ended June 30, 2026.

*Supplemental pro forma information (unaudited) for Bridgewell*

The following unaudited pro forma information gives effect to the Bridgewell Acquisition as if it had occurred on January 1, 2025, and includes adjustments for amortization on acquired intangible assets, interest expense, transaction expenses and related tax effects. This information is presented for informational purposes only and is not necessarily indicative of actual or future results of operations.

Proforma revenues attributable to subordinate voting shareholders for the three and six month periods ended June 30, 2026, were $236.4 million and $382.2 million, respectively. Proforma net loss attributable to subordinate voting shareholders for the three and six month period ended June 30, 2026 was $4.7 million and $25.7 million, respectively.

Proforma revenues attributable to subordinate voting shareholders for the three and six month periods ended June 30, 2025, were $98.1 million and $173.9 million, respectively. Proforma net loss attributable to subordinate voting shareholders for the three and six month period ended June 30, 2025 was $15.0 million and $24.3 million, respectively.

*Vireo Health of Rocky Mountain*

Vireo Health of Colorado, LLC, a Colorado limited liability company and wholly-owned subsidiary of the Company ("**VHC**"), and CO Acquisition Vehicle, LLC, a Delaware limited liability company ("**CO Acquisition**"), acquired all of the issued and outstanding 13% Senior Secured Convertible Notes due December 7, 2026 (the "**Senior Secured Notes**") of Medicine Man Technologies, Inc. d/b/a Schwazze ("**Schwazze**"). These Senior Secured Notes acquired by VHC were carried as notes receivable on the Company's consolidated balance sheet as of December 31, 2025. In connection with this position, VHC entered into a restructuring support agreement (the "**RSA**") with Schwazze and certain related entities on October 10, 2025, setting forth a plan to restructure Schwazze's operations and capital structure through (i) the sale of certain assets representing a majority of the total assets of Schwazze and its subsidiaries (the "**Asset Sale**") to a newly-formed entity, Vireo Health of Rocky Mountain, LLC, a Delaware limited liability company ("**Vireo Health of Rocky Mountain**"), and (ii) the liquidation of Schwazze's remaining assets and wind-down of its remaining operations following the Asset Sale. The Company did not obtain control of, and did not acquire, Schwazze's remaining assets that were separately liquidated and wound down and the Company's acquisition is limited to the assets transferred to Vireo Health of Rocky Mountain in the Asset Sale as further described below.

The RSA provided for the Asset Sale to be effected by way of a public disposition of collateral under §§ 9-610 and 9-611 of the Uniform Commercial Code. On November 13, 2025, a public auction of Schwazze's collateral was completed, and the collateral agent under the indenture governing the Senior Secured Notes, acting at the direction of VHC, submitted a winning credit bid of approximately $111.0 million principal amount of the Senior Secured Notes on behalf of VHC and other noteholders (the "**Credit Bid**"). Following the public auction, Schwazze entered into an asset purchase agreement with Vireo Health of Rocky Mountain and certain other parties on November 13, 2025 (as amended, the "**Schwazze Asset Purchase Agreement**").

Separately from its position as a holder of the Senior Secured Notes, CO Acquisition also acted as a borrower under a new, unrelated term loan facility. On September 30, 2025, CO Acquisition entered into a Loan and Security Agreement (as amended, the "**CO Acquisition LSA**") with Chicago Atlantic Admin, LLC, as administrative agent, and the lenders party thereto (the "**CO Acquisition Lenders**"), providing for total commitments of $26.0 million, of which $25.0 million was advanced on closing date of the CO Acquisition LSA ($10.0 million disbursed to CO Acquisition and $15.0 million held in reserve). On February 26, 2026, CO Acquisition and the CO Acquisition Lenders entered into a First Amendment to the CO Acquisition LSA, pursuant to which the remaining $15.0 million held in reserve was released. On February 27, 2026, the Company acquired CO Acquisition as part of the Asset Sale, and the CO Acquisition LSA was recognized as an assumed liability in purchase accounting at its face value, which the Company determined approximated fair value given the CO Acquisition LSA's recent origination at market terms.

On March 19, 2026 (the "**Schwazze Closing Date**"), pursuant to the Schwazze Asset Purchase Agreement, Schwazze transferred 45 dispensaries in Colorado and New Mexico and two manufacturing facilities (one in each of Colorado and New Mexico) to Vireo Health of Rocky Mountain and certain of its designated subsidiaries, in exchange for (i) discharge of the Senior Secured Notes via the Credit Bid and (ii) the assumption of certain specified liabilities of Schwazze. In connection with the closing of the Asset Sale, the collateral agent distributed equity interests in Vireo Health of Rocky Mountain to an indirect wholly-owned subsidiary of the Company. As a result of the closing of the Asset Sale, the Company obtained a majority ownership interest in, and control of, Vireo Health of Rocky Mountain as of the Schwazze Closing Date. Vireo Health of Rocky Mountain did not hold or control the transferred assets, prior to the Schwazze Closing Date.

The Company determined the Asset Sale should be accounted for as a business combination, with an acquisition date of March 19, 2026. Goodwill represents the premium the Company paid over the fair value of the net tangible and identifiable intangible assets acquired. The goodwill arising from the Asset Sale, which relates to the Company's Cannabis segment, primarily consists of the synergies and economies of scale expected from combining the operations of the Company and Vireo Health of Rocky Mountain, including growing the Company's customer base, acquiring assembled workforces, and expanding its presence in new and existing markets. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Of the total goodwill recognized, $38.2 million is expected to be deductible for income tax purposes.

The following table summarizes the allocation of consideration exchanged for the estimated fair value of tangible and identifiable intangible assets acquired and liabilities assumed. The fair values were determined based upon a preliminary valuation, and the estimates and assumptions used in such valuation are pending completion and subject to change. Certain estimated values for the Asset Sale, including the valuation of intangibles and income taxes (including deferred taxes and associated valuation allowances), are not yet finalized, and the preliminary purchase price allocation is subject to change as the Company completes its analysis of the fair value at the acquisition date. The Company will continue to obtain information necessary to finalize the fair values, which may differ materially from these preliminary estimates. The final valuation will be completed within the one-year measurement period, and any measurement period adjustments will be applied in the reporting period in which the adjustments are determined.

| | Vireo Health of Rocky Mountain |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 18.2 |
| Inventory | 14.4 |
| Receivables | 1.4 |
| Other current assets | 0.6 |
| Property and equipment | 10.5 |
| Operating lease, right-of-use asset | 31.6 |
| Deposits | 1.1 |
| Intangible assets, license | 78.7 |
| Goodwill | 38.2 |
| Total assets | 194.7 |
| **Liabilities** | |
| Accounts payable and accrued liabilities | 12.6 |
| Right-of-use liability | 31.6 |
| Long-term debt, net | 72.5 |
| Total liabilities | 116.7 |
| **Net assets acquired** | **$ 78.0** |
| | |
| **Consideration:** | |
| Notes receivable exchanged for net assets | $ 78.0 |
| **Total Consideration** | **$ 78.0** |

The acquired intangible assets include cannabis licenses, which are treated as definite-lived intangible assets amortized over a 15-year useful life. The fair value of the cannabis licenses was determined using Level 3 inputs, as the valuation relied on unobservable inputs reflecting management's assumptions about the assumptions that market participants would use in pricing the assets.

Since the acquisition date, Vireo Health of Rocky Mountain contributed revenue of $42.7 million and net loss of $7.8 million to the Company's consolidated statement of operations for the six months ended June 30, 2026. For the three months ended June 30, 2026, Vireo Health of Rocky Mountain contributed $38.7 million of revenue and net loss of $4.6 million to the Company’s consolidated statement of operations.

*Supplemental pro forma information (unaudited) for Vireo Health of Rocky Mountain*

The following unaudited pro forma information gives effect to the Asset Sale as if it had occurred on January 1, 2025, and includes adjustments for amortization on acquired intangible assets, interest expense, and related tax effects. This information is presented for informational purposes only and is not necessarily indicative of actual or future results of operations.

Proforma revenues attributable to subordinate voting shareholders for the three and six month periods ended June 30, 2026, were $209.3 million and $333.6 million, respectively. Proforma net income (loss) attributable to subordinate

voting shareholders for the three and six month period ended June 30, 2026 was $0.7 million and ($10.6) million, respectively.

Proforma revenues attributable to subordinate voting shareholders for the three and six month periods ended June 30, 2025, were $80.2 million and $137.3 million, respectively. Proforma net loss attributable to subordinate voting shareholders for the three and six month period ended June 30, 2025 was $21.5 million and $32.4 million, respectively.

*The Mergers*

On December 18, 2024, the Company entered into merger agreements (each a "**Merger Agreement**" and collectively, the "**Merger Agreements**") with each of (i) Deep Roots Holdings, Inc. ("**Deep Roots**") (the "**Deep Roots Merger**"), (ii) Proper Holdings, LLC ("**Proper**"), NGH Investments, Inc. ("**NGH**"), and Proper Holdings Management, Inc. ("**Proper MSA Newco**" and together with NGH and Proper, the "**Proper Companies**") (the "**Proper Mergers**"), and (iii) WholesomeCo, Inc. ("**Wholesome**") (the "**Wholesome Merger**" and collectively with the Deep Roots Merger and the Proper Mergers, the "**Mergers**" and each, a "**Merger**"). Each Merger was an all-share transaction whereby, at the closing of each Merger, (i) a new wholly-owned subsidiary of the Company merged with and into Deep Roots, (ii) a new wholly-owned subsidiary of the Company merged with and into Wholesome, and (iii) the Proper Companies each merged with and into new wholly-owned subsidiaries of the Company. None of the Mergers were contingent upon the completion of any of the other Mergers. The Wholesome Merger closed on May 12, 2025, the Proper Mergers closed on June 5, 2025, and the Deep Roots Merger closed on June 6, 2025.

The consideration paid to acquire each of Deep Roots, Proper and Wholesome was based, in each case, in part, on an estimated multiple of a 2024 "Closing EBITDA," which was pro forma for pending acquisitions, planned new retail openings and expansion projects, and a $15.60 share reference price for the Company's subordinate voting shares (each subordinate voting share an "**SVS**" and collectively, the "**SVSs**").

Pursuant to the Merger Agreements, former stockholders of Proper, Wholesome, and certain former stockholders of Deep Roots may qualify for earnout payments made with the Company's SVSs following December 31, 2026, based on each target's adjusted earnings before interest, taxes, depreciation and amortization ("**Adjusted EBITDA**") (as defined in the applicable Merger Agreement) growth compared to such target's Closing EBITDA (as defined in the applicable Merger Agreement) (plus, with respect to Deep Roots, $1.0 million in EBITDA attributed to a new retail location) (at a 4x multiple), adjusted for incremental debt and certain other matters, respectively, and paid out using a share price for the Company's SVSs of the higher of $31.50 or the 20-day volume weighted average price of the Company's SVSs on the Canadian Securities Exchange ("**CSE**"), converted to United States Dollars based on the average exchange rate posted by the Bank of Canada as of the end of each trading day during such 20-day period, as reported by Bloomberg Finance L.P. (the "**VWAP**") as of December 31, 2026. The Closing EBITDA for Deep Roots, Proper and Wholesome are $30.0 million, $31.0 million, and $16.0 million, respectively. EBITDA growth is defined as the increase between the Closing EBITDA and the higher of 2026 Adjusted EBITDA or the trailing nine-month annualized Adjusted EBITDA as of immediately prior to December 31, 2026. In no event shall the number of earnout shares issued under each Merger Agreement exceed the number of shares issued as closing merger consideration under each Merger Agreement.

Each of the Merger Agreements provides for the clawback of up to 50% of the upfront merger consideration (excluding, in the case of Proper and Wholesome, the amounts described in the next paragraph that are attributable to Arches, as defined below) on December 31, 2026, if (1) for Wholesome and Deep Roots, (a) 2026 Adjusted EBITDA underperforms 96.5% of the Closing EBITDA, and (b) the retail revenue market share or EBITDA margin for 2026 is less (or lower) than 2024 and (c) the 20-day VWAP as of immediately prior to December 31, 2026 is greater than $31.50 per share, and (2) for Proper, 2026 Adjusted EBITDA underperforms 96.5% of the Closing EBITDA. The amount of shares subject to a clawback would be equal to the Acquisition Multiple (as defined in each Merger Agreement) of 4.175 for each of Deep Roots, Proper and Wholesome, respectively, multiplied by the EBITDA shortfall, and subject to certain other adjustments for incremental debt and certain other matters, set forth in the applicable Merger Agreement, divided by $15.60 per share.

In connection with the Merger Agreement with Wholesome (the "**Wholesome Merger Agreement**") and the Merger Agreement with Proper (the "**Proper Merger Agreement**"), the Company included in the stock merger consideration

calculation an amount equal to (i) $11,860,800 for Wholesome and (ii) $2,139,200 for Proper for all of the outstanding equity interests in Arches IP, Inc. ("**Arches**") owned by Wholesome and Proper, respectively. Subject to the terms and conditions of the Wholesome Merger Agreement and the Proper Merger Agreement, each of Wholesome, Proper and Arches option holders are collectively entitled to earnout payments based on the performance of Arches, based on the greater of $37.5 million or 5x certain revenue percentages of Arches minus $4,000,000, with such revenue percentage amounts measured at the higher of the trailing-twelve-month or nine-month annualized amounts as of December 31, 2026, paid out using a share price for the Company's SVSs at the higher of $31.50 or the 20-day VWAP as of immediately prior to December 31, 2026.

*Wholesome*

On May 12, 2025, the Company closed the Wholesome Merger contemplated by the Wholesome Merger Agreement. The Company analyzed the acquisition under Accounting Standards Update ("**ASU**") 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* and determined that the Wholesome Merger should be accounted for as a business combination. Goodwill represents the premium the Company paid over the fair value of the net tangible and intangible assets acquired. The goodwill arising from the Wholesome Merger primarily consists of the synergies and economies of scale expected from combining the operations of the Company and Wholesome, including growing the Company's customer base, acquiring assembled workforces, and expanding its presence in new and existing markets. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The following table summarizes the allocation of consideration exchanged for the estimated fair value of tangible and identifiable intangible assets acquired and liabilities assumed:

| | Wholesome |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 7.0 |
| Inventory | 8.7 |
| Receivables | 1.1 |
| Other current assets | 0.9 |
| Income tax receivable | 0.3 |
| Property and equipment | 9.4 |
| Operating lease, right-of-use asset | 10.2 |
| Indemnification asset | 11.0 |
| Deposits | 0.5 |
| Intangible assets, license | 14.2 |
| Intangible assets, developed technology | 4.6 |
| Goodwill | 39.0 |
| Total assets | 106.9 |
| **Liabilities** | |
| Accounts payable and accrued liabilities | 6.8 |
| Right-of-use liability | 10.2 |
| Long-term debt, net | 9.6 |
| Deferred tax liabilities | 5.9 |
| Uncertain tax liability | 13.3 |
| Total liabilities | 45.8 |
| **Net assets acquired** | **$ 61.1** |
| | |
| **Consideration:** | |
| Share consideration | $ 51.7 |
| Contingent consideration | 9.4 |
| **Total Consideration** | **$ 61.1** |

The acquired intangible assets include cannabis licenses and developed technology which are treated as definite-lived intangible assets amortized over a 15-year useful life.

As of June 30, 2026, the Company has recorded a contingent consideration liability of $25.6 million, which represents the estimated fair value of the potential earnout payments based on management's current projections of Adjusted EBITDA performance relative to the Closing EBITDA thresholds through the earn out measurement period ending December 31, 2026. The contingent consideration is classified as a Level 3 liability within the fair value hierarchy and is remeasured at each reporting date, with changes in fair value recognized in earnings. During the three and six months ended June 30, 2026, the Company recognized a loss of $7.4 million and $6.4 million, respectively, related to the change in the fair value of contingent consideration in earnings related to the remeasurement of this liability.

As part of the Wholesome Merger, the sellers contractually agreed to indemnify the Company for certain pre-closing liabilities, including those related to unpaid uncertain tax liabilities. On May 12, 2025, the Company recognized a liability of $13.3 million for uncertain tax positions related to the pre-acquisition periods in accordance with Accounting Standards Codification ("**ASC**") 740, Income Taxes. Consistent with the provisions of ASC 805-20-25-27, the Company also recognized a corresponding indemnification asset of $11.0 million, measured on the same basis as the related liability, which represents the uncertain tax liability recognized of $13.3 million less $0.3 million of income taxes receivable and $2.0 million of tax specific cash contributions from Wholesome.

The indemnification asset was classified as a non-current asset in the Company's condensed consolidated balance sheet as of June 30, 2026, and will be adjusted in future periods if the related liability is settled, released, or remeasured. Changes in the fair value of the indemnification asset, if any, will be recorded in earnings in the same financial statement line item as the change in the related liability. As of June 30, 2026, there have been no changes in the estimated amount of indemnified tax exposure or the related asset.

*Proper*

On June 5, 2025, the Company closed the Proper Mergers contemplated by the Proper Merger Agreement. The Company analyzed the acquisition under ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* and determined that the Proper Mergers should be accounted for as a business combination. Goodwill represents the premium the Company paid over the fair value of the net tangible and intangible assets acquired. The goodwill arising from the Proper Mergers primarily consists of the synergies and economies of scale expected from combining the operations of the Company and Proper, including growing the Company's customer base, acquiring assembled workforces, and expanding its presence in new and existing markets. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The following table summarizes the allocation of consideration exchanged for the estimated fair value of tangible and identifiable intangible assets acquired and liabilities assumed:

| | Proper |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 12.9 |
| Inventory | 22.8 |
| Income tax receivable | 5.7 |
| Receivables | 2.4 |
| Other current assets | 0.3 |
| Property and equipment | 33.3 |
| Operating lease, right-of-use asset | 9.0 |
| Indemnification asset | 6.2 |
| Deposits | 0.1 |
| Intangible assets, license | 48.6 |
| Goodwill | 26.4 |
| Total assets | 167.7 |
| **Liabilities** | |
| Accounts payable and accrued liabilities | 25.3 |
| Right-of-use liability | 9.0 |
| Long-term debt, net | 25.5 |
| Deferred tax liabilities | 12.6 |
| Uncertain tax liability | 14.9 |
| Other long-term liabilities | 1.2 |
| Total liabilities | 88.5 |
| **Net assets acquired** | **$ 79.2** |
| | |
| **Consideration:** | |
| Share consideration | $ 76.2 |
| Contingent consideration | 3.0 |
| **Total Consideration** | **$ 79.2** |

The acquired intangible assets include cannabis licenses and developed technology which are treated as definite-lived intangible assets amortized over a 15-year useful life.

As of June 30, 2026, the Company recorded a contingent consideration liability of $3.5 million, which represents the estimated fair value of the potential earnout payments based on management's current projections of Adjusted EBITDA performance relative to the Closing EBITDA thresholds through the earn out measurement period ending December 31, 2026. The contingent consideration is classified as a Level 3 liability within the fair value hierarchy and is remeasured at each reporting date, with changes in fair value recognized in earnings. During the three and six months ended June 30, 2026, the Company recognized a gain of $3.7 million and $0.4 million, respectively, related to the change in the fair value of contingent consideration in earnings related to the remeasurement of this liability.

As part of the Proper Mergers, the sellers contractually agreed to indemnify the Company for certain pre-closing liabilities, including those related to unpaid uncertain tax liabilities. On June 5, 2025, the Company recognized a liability of $14.9 million for uncertain tax positions related to the pre-acquisition periods in accordance with ASC 740, Income Taxes. Consistent with the provisions of ASC 805-20-25-27, the Company also recognized a corresponding indemnification asset of $6.2 million, measured on the same basis as the related liability, which represents the uncertain tax liability recognized of $14.9 million less $5.7 million of income taxes receivable and $3.0 million of tax specific cash contributions from Proper.

The indemnification asset was classified as a non-current asset in the Company's condensed consolidated balance sheet as of June 30, 2026, and will be adjusted in future periods if the related liability is settled, released, or remeasured. Changes in the fair value of the indemnification asset, if any, will be recorded in earnings in the same financial statement line item

as the change in the related liability. As of June 30, 2026, there were no changes in the estimated amount of indemnified tax exposure or the related asset.

*Deep Roots*

On June 6, 2025, the Company closed the Deep Roots Merger contemplated by the Merger Agreement with Deep Roots (the "**Deep Roots Merger Agreement**"). The Company analyzed the acquisition under ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* and determined that the Deep Roots Merger should be accounted for as a business combination. Goodwill represents the premium the Company paid over the fair value of the net tangible and intangible assets acquired. The goodwill arising from the Deep Roots Merger primarily consists of the synergies and economies of scale expected from combining the operations of the Company and Deep Roots, including growing the Company's customer base, acquiring assembled workforces, and expanding its presence in new and existing markets. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The following table summarizes the allocation of consideration exchanged for the estimated fair value of tangible and identifiable intangible assets acquired and liabilities assumed:

| | Deep Roots |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 19.4 |
| Inventory | 17.8 |
| Income tax receivable | 14.4 |
| Receivables | 0.2 |
| Other current assets | 1.3 |
| Property and equipment | 29.5 |
| Operating lease, right-of-use asset | 24.6 |
| Indemnification asset | 8.5 |
| Deposits | 0.3 |
| Investments | 6.0 |
| Intangible assets, license | 45.8 |
| Goodwill | 22.1 |
| Total assets | 189.9 |
| **Liabilities** | |
| Accounts payable and accrued liabilities | 12.7 |
| Right-of-use liability | 24.6 |
| Long-term debt, net | 19.2 |
| Deferred tax liabilities | 5.1 |
| Uncertain tax liability | 24.9 |
| Total liabilities | 86.5 |
| **Net assets acquired** | **$ 103.4** |
| | |
| **Consideration:** | |
| Share consideration | $ 101.0 |
| Contingent consideration | 2.4 |
| **Total Consideration** | **$ 103.4** |

The acquired intangible assets include cannabis licenses which are treated as definite-lived intangible assets amortized over a 15-year useful life.

As part of the Deep Roots Merger, the sellers contractually agreed to indemnify the Company for certain pre-closing liabilities, including those related to unpaid uncertain tax liabilities. On June 6, 2025, the Company recognized a liability of $24.9 million for uncertain tax positions related to the pre-acquisition periods in accordance with ASC 740, Income Taxes. Consistent with the provisions of ASC 805-20-25-27, the Company also recognized a corresponding

indemnification asset of $8.5 million, measured on the same basis as the related liability, which represents the uncertain tax liability recognized of $24.9 million less $14.4 million of income taxes receivable and $2.0 million of tax specific cash contributions from Deep Roots.

As of June 30, 2026, the Company recorded a contingent consideration asset of $0.9 million, which represents the estimated fair value of the potential earnout payments based on management's current projections of Adjusted EBITDA performance relative to the Closing EBITDA thresholds through the earn out measurement period ending December 31, 2026. The contingent consideration is classified as a Level 3 liability within the fair value hierarchy and is remeasured at each reporting date, with changes in fair value recognized in earnings. During the three and six months ended June 30, 2026, the Company recognized a gain of $5.5 million and $2.3 million, respectively, related to the change in the fair value of contingent consideration in earnings related to the remeasurement of this liability.

The indemnification asset was classified as a non-current asset in the Company's condensed consolidated balance sheet as of June 30, 2026, and will be adjusted in future periods if the related liability is settled, released, or remeasured. Changes in the fair value of the indemnification asset, if any, will be recorded in earnings in the same financial statement line item as the change in the related liability. As of June 30, 2026, there were no changes in the estimated amount of the indemnified tax exposure or the related asset.

*Management Services Agreement with PharmaCann*

On December 16, 2025, the Company entered into an Asset Purchase Agreement (the "**PharmaCann APA**") with PharmaCann Inc. ("**PharmaCann**") and certain of its subsidiaries.

In connection with the PharmaCann APA, VHC entered into a Management Services Agreement (the "PharmaCann **MSA**"), dated December 16, 2025, pursuant to which VHC agreed to provide certain management services to certain of PharmaCann's subsidiaries related to the dispensaries to be acquired.

The MSA became effective on March 22, 2026. For the three and six months ended June 30, 2026, the Company recognized management services income of $4.6 million and $4.9 million, respectively, which is included in the consolidated statement of loss and comprehensive loss.

In connection with the effectiveness of the MSA, on March 24, 2026, the Company delivered 3,024,691 subordinate voting shares from treasury into escrow with Odyssey Trust Company, as escrow agent. These shares are being held in escrow pending their potential release as consideration under the APA upon closing of the acquisition of the PharmaCann assets.

Although the Company is providing management services under the MSA and is entitled to certain economic benefits, the Company has not consolidated the results of the PharmaCann assets, as the acquisition contemplated by the PharmaCann APA had not yet closed as of June 30, 2026, and therefore the Company does not have control, as defined by GAAP, over the PharmaCann assets.

*Change in Ownership of Vireo Health of New York LLC*

On March 31, 2026, Vireo Health Inc., a Delaware corporation and a direct wholly-owned subsidiary of the Company ("**Vireo Health**"), and Ace Venture of NY LLC ("**Ace**") entered into a Second Amended and Restated Limited Liability Company Operating Agreement (the "**Operating Agreement**") of Vireo Health of New York LLC ("**VHNY**"), an indirect subsidiary of the Company.

Under the Operating Agreement, Ace holds 51% of the membership interests in VHNY, and Vireo Health holds the remaining 49% of the membership interests in VHNY. Under the Operating Agreement, distributions of available cash from VHNY are to be made first to Vireo Health until it has recovered specified amounts, including its initial contribution deemed to be $35 million, certain transaction expenses, any additional capital contributions, any additional operating losses, and $16 million of intercompany notes bearing an interest rate of 7%.

VHNY is managed by a two-person board of managers, with one manager designated by the Company and one manager designated by Ace, and certain major actions require unanimous board and/or member approval. In the event of a deadlock between the managers, the Company's Chief Financial Officer shall cast the deciding vote. The Operating Agreement also includes customary transfer restrictions, rights of first refusal and drag-along provisions, as well as dispute resolution and limitation of liability provisions.

Notwithstanding the reduction in its ownership interest from 100% to 49%, management has concluded that VHNY continues to meet the definition of a variable interest entity ("VIE") under GAAP, and that the Company, via Vireo Health, remains the primary beneficiary of VHNY based on its power to direct VHNY's most significant activities and its obligation to absorb losses and right to receive benefits that could be significant to VHNY. Accordingly, the Company continues to consolidate VHNY in its condensed consolidated financial statements.

**4. Fair Value Measurements**

The Company complies with ASC 820, Fair Value Measurements, for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

*Items measured at fair value on a non-recurring basis*

The Company's non-financial assets, such as prepayments and other current assets, long-lived assets, including property and equipment, and intangible assets, are tested for impairment when indicators of impairment exist and are recorded at fair value only if an impairment charge is recognized. No impairment charges were recorded for the three and six months ended June 30, 2026 or 2025.

The carrying value of the Company's marketable securities, accounts receivable, notes receivable, accounts payable, and accrued liabilities approximate their fair value due to their short-term nature. The carrying value of the Company's long-term debt and convertible debt approximates fair value, using Level 2 inputs, as they bear a market rate of interest.

Restricted cash consists of cash balances that are legally or contractually restricted as to withdrawal or use. The carrying amount approximates fair value due to the short-term nature of the deposits.

The Company's derivative liability, warrants held, contingent consideration, and investments are measured at fair value on a recurring basis using Level 3 inputs, given there is no market activity for these assets and liabilities.

**5. Accounts Receivable**

Trade receivables as of June 30, 2026 and December 31, 2025 were comprised of the following items:

| | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Trade receivables, net - cannabis | $ 18.2 | $ 12.7 |
| Trade receivables, net - non-cannabis | 37.0 | — |
| Other | 8.7 | 1.1 |
| Total | $ 63.9 | $ 13.8 |

Included in the trade receivables, net balance at June 30, 2026, and December 31, 2025, was an allowance for credit losses of $2.4 million and $1.3 million, respectively.

**6. Inventory**

Inventory as of June 30, 2026 and December 31, 2025 was comprised of the following items:

| | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Work-in-progress | $ 36.3 | $ 31.0 |
| Finished goods | 46.4 | 19.6 |
| Non-cash fair value step up | 3.6 | — |
| Production supplies | 11.7 | 9.4 |
| Non-cannabis inventory | 51.4 | — |
| Total | $ 149.4 | $ 60.0 |

In connection with the closing of the various acquisitions described in Note 3, the Company recorded the acquired inventories at their estimated fair values in accordance with ASC 805, *Business Combinations*. Fair value represents the estimated selling price of the acquired inventory, less the expected costs to sell the inventory.

The estimated fair value of the inventory exceeded cost, resulting in a fair value step-up adjustment to acquired inventories totaling $6.5 million. During the three months ended June 30, 2026 and 2025, $2.7 million and $4.2 million, respectively, of amortization associated with this fair value step-up was recorded. During the six months ended June 30, 2026 and 2025, $3.0 million and $4.2 million, respectively, of amortization associated with this fair value step-up was recorded. This amortization was recorded to cost of sales in the consolidated statement of loss and comprehensive loss for the three and six month periods ended June 30, 2026.

**7. Property and Equipment, Net**

As of June 30, 2026 and December 31, 2025, the Company's property and equipment, net consisted of the following:

| | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Land | $ 7.7 | $ 1.8 |
| Buildings and leasehold improvements | 196.5 | 91.7 |
| Furniture and equipment | 48.9 | 27.9 |
| Software | 1.1 | 0.1 |
| Vehicles | 3.3 | 2.9 |
| Construction-in-progress | 54.3 | 33.6 |
| Right of use asset under finance lease | 6.6 | 87.8 |
| | 318.4 | 245.8 |
| Less: accumulated depreciation | (37.7) | (28.3) |
| Total | $ 280.7 | $ 217.5 |

For the six months ended June 30, 2026 and 2025, total depreciation on property and equipment was $9.9 million and $1.9 million, respectively. For the three months ended June 30, 2026 and 2025, total depreciation on property and equipment was $5.9 million and $1.3 million, respectively. The Company capitalized $7.1 million and $1.4 million into inventory relating to depreciation associated with manufacturing equipment and production facilities for the six months ended June 30, 2026 and 2025, respectively, and $4.2 million and $0.9 million for the three months ended June 30, 2026 and 2025, respectively. The associated capitalized depreciation costs are added to inventory and expensed as cost of sales when the product is sold.

As of each of June 30, 2026 and 2025, in conjunction with the Company's held for sale assessment and disposal of certain long-lived assets, the Company evaluated whether property and equipment showed any indicators of impairment, and it was determined that the recoverable amount of certain net assets was above book value. As a result, the Company recorded no impairment charge on property and equipment, net.

**8. Leases**

Components of the Company's lease expenses for the three and six months periods ended June 30, 2026 and 2025 are listed below:

| | Six Months Ended June 30, | | Three Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Finance lease cost | | | | |
| Depreciation of ROU assets | $ 2.1 | $ 0.2 | $ 0.8 | $ 0.1 |
| Interest on lease liabilities | 6.1 | 7.2 | 2.6 | 3.6 |
| Operating lease costs | 10.9 | 1.8 | 8.4 | 1.3 |
| Total lease costs | $ 19.1 | $ 9.2 | $ 11.8 | $ 5.0 |

Future minimum lease payments (principal and interest) on the leases are as follows:

| | Operating Leases June 30, 2026 | Finance Leases June 30, 2026 | Total |
|---|---|---|---|
| 2026 | $ 15.0 | $ 1.0 | $ 16.0 |
| 2027 | 28.0 | 2.0 | 30.0 |
| 2028 | 27.0 | 2.1 | 29.1 |
| 2029 | 23.4 | 2.1 | 25.6 |
| 2030 | 21.8 | 2.2 | 24.0 |
| Thereafter | 153.4 | 24.6 | 178.0 |
| Total minimum lease payments | $ 268.7 | $ 34.0 | $ 302.7 |
| Less discount to net present value | (114.1) | (25.2) | (139.3) |
| Present value of lease liability | $ 154.6 | $ 8.8 | $ 163.4 |

The Company has entered into various lease agreements for the use of buildings used in the production and retail sales of cannabis products.

Supplemental cash flow information related to the Company's leases for the three and six months ended June 30, 2026 and 2025 is detailed below:

| | Six Months Ended June 30, | | Three Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Cash paid for amounts included in the measurement of lease liabilities: | | | | |
| Operating cash flows from principal payments of operating leases | $ 4.4 | $ 0.8 | $ 3.1 | $ 0.4 |
| Operating cash flows from amortization of operating leases | 5.2 | 0.9 | 4.1 | 0.7 |
| Financing cash flows from finance leases | 0.1 | — | $ — | — |
| Non-cash additions to operating ROU assets | 0.3 | 0.3 | — | 0.3 |

Other information about the Company's lease amounts as of June 30, 2026 and 2025 is recognized in the financial statements and outlined below:

| | June 30, | |
|---|---|---|
| | 2026 | 2025 |
| Weighted-average remaining lease term (years) – operating leases | 10.53 | 7.33 |
| Weighted-average remaining lease term (years) – finance leases | 13.84 | 15.59 |
| Weighted-average discount rate – operating leases | 10.43 % | 10.93 % |
| Weighted-average discount rate – finance leases | 24.29 % | 16.19 % |

**9. Goodwill and Intangibles**

*Intangibles*

Intangible assets as of June 30, 2026 and December 31, 2025 were comprised of the following items:

| | Licenses & Trademarks | Developed Technology | Total |
|---|---|---|---|
| Balance, December 31, 2024 | $ 7.9 | $ — | $ 7.9 |
| Acquisitions | 108.5 | 4.7 | 113.2 |
| Assets moved out of held for sale | 0.3 | — | 0.3 |
| Capitalization of internally generated software costs | — | 1.9 | 1.9 |
| Amortization | (5.1) | (0.7) | (5.8) |
| Balance, December 31, 2025 | $ 111.6 | $ 5.9 | $ 117.5 |
| Acquisitions *(Note 3)* | 104.5 | 3.2 | 107.7 |
| Capitalization of internally generated software costs | — | 0.6 | 0.6 |
| Amortization | (6.8) | (0.3) | (7.1) |
| Balance, June 30, 2026 | $ 209.3 | $ 9.4 | $ 218.7 |

The following table outlines the estimated annual amortization expense for the next five years related to intangible assets as of June 30, 2026:

| | |
|---|---|
| 2026 | $ 9.0 |
| 2027 | 18.0 |
| 2028 | 17.9 |
| 2029 | 17.8 |
| 2030 | 17.2 |
| 2031 | 16.4 |
| Thereafter | 122.4 |
| Total | $ 218.7 |

*Goodwill*

The following table shows the change in the carrying amount of goodwill:

| | |
|---|---|
| Goodwill - December 31, 2024 | $ — |
| Acquisitions *(Note 3)* | 87.5 |
| Goodwill - December 31, 2025 | 87.5 |
| Acquisitions *(Note 3)* | 73.6 |
| Goodwill - June 30, 2026 | $ 161.1 |

The Company evaluates goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. For the year ended December 31, 2025, the Company performed a qualitative assessment and concluded that it was more likely than not that the fair value of its cannabis segment exceeded the carrying amount. Accordingly, the Company determined that it was not necessary to perform a quantitative goodwill impairment test as of that date, and no impairment was recognized.

For the three and six months ended June 30, 2026, the Company evaluated whether any events or changes in circumstances occurred that would indicate it is more likely than not that goodwill is impaired. Based on this evaluation, the Company concluded that no such triggering events or circumstances existed as of June 30, 2026, and therefore no interim quantitative impairment test was performed and no impairment was recognized during the period.

**10. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities as of June 30, 2026 and December 31, 2025 were comprised of the following items:

| | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Accounts payable – trade | $ 55.8 | $ 19.0 |
| Sales, use, and excise taxes payable | 12.7 | 5.7 |
| Accrued compensation and benefits | 17.4 | 8.8 |
| Accrued transaction, interest, and other expenses | 33.9 | 12.1 |
| Contract liability | 5.3 | 4.7 |
| Total accounts payable and accrued liabilities | $ 125.1 | $ 50.3 |

**11. Long-Term Debt**

*First Lien Term Loan and Chicago Atlantic Term Loan*

On July 3, 2025, the Company entered into a Loan and Security Agreement (the "**First Lien Term Loan**"), effective July 7, 2025, with East West Bank, a California banking corporation ("**East West Bank**"), as Administrative Agent (the "**Administrative Agent**"), and Western Alliance Bank, an Arizona corporation, as co-administrative agent (the "**Co-Admin Agent**").

The First Lien Term Loan provides for an aggregate principal amount of $120 million. The aggregate principal amount of the First Lien Term Loan amortizes in quarterly installments of $3 million. The Company will make such quarterly amortization payments commencing on December 31, 2025 and on the last business day of each quarter thereafter through and including July 3, 2028. Upon maturity of the First Lien Term Loan on July 31, 2028, the remaining outstanding principal amount of the First Lien Term Loan, and all accrued and unpaid interest thereon, will be due and payable in full. The First Lien Term Loan bears interest at the one-month Term Secured Overnight Financing Rate (subject to a 3% floor) plus 4% per annum. The First Lien Term Loan shall, at the Administrative Agent's option, convert to a Prime Rate Loan at the end of the First Lien Term Loan's current one-month interest period if an event of default shall occur and be continuing, at which time an additional 2% of default interest will also be applicable to the First Lien Term Loan.

On July 3, 2025, the Company entered into a secured term loan (the "**Chicago Atlantic Term Loan**"), effective July 7, 2025, with Chicago Atlantic Opportunity Finance, LLC, as a Lender (the "**Lender**"), Chicago Atlantic Admin, LLC, as Administrative Agent and Collateral Agent ("**2L Agent**") and Chicago Atlantic Credit Advisers, LLC, as Lead Arranger ("**Lead Arranger**").

The Chicago Atlantic Term Loan provides for a principal amount of $33 million to be loaned to the Company along with a $50 million accordion feature, available to support future strategic initiatives, subject to the sole discretion of the Lender and 2L Agent. Amortization payments are due and payable monthly on each payment date in an amount equal to 1% of the loan amount starting November 30, 2025. All unpaid and accrued interest is due and payable on the maturity date of October 2, 2028, with an option to extend for an additional year subject to a 1% extension fee of all loans advanced by lenders under the Chicago Atlantic Term Loan. The Chicago Atlantic Term Loan bears interest at the Prime Rate (subject to a 7.5% floor) plus 5.5% per annum.

The First Lien Term Loan is secured by a perfected first priority security interest in all assets and future assets of the Company. The Chicago Atlantic Term Loan is secured by a second priority security interest in and lien on all existing assets and future assets of the Company.

The proceeds from the First Lien Term Loan and Chicago Atlantic Term Loan were used to retire all of the Company's existing debt obligations, including the debt arising from acquisitions, including the Mergers.

*Long-Term Debt Arising from the purchase of New York Property*

On May 26, 2026, the Company's subsidiary, 256 County Route 117 Perth LLC ("**Perth Property Buyer**"), completed the acquisition of a 389,000 square foot cannabis cultivation and production facility located in Perth, New York (the "**Perth Property**") from IIP-NY 2 LLC, a subsidiary of Innovative Industrial Properties, Inc. ("**IIP**"), for an aggregate purchase price of $90.2 million. The Perth Property was previously leased by VHNY from IIP under a finance lease arrangement. In connection with the acquisition, VHNY's existing lease for the Perth Property was terminated, and the Company derecognized the related right-of-use asset and lease liability.

In connection with the acquisition, Buyer entered into a term loan with IIP in the original principal amount of $49.0 million (the "Seller Note"). The Seller Note bears interest at 15% per annum, payable monthly on an interest-only basis, and has an initial maturity date of May 25, 2027, with two one-year extension options, which the Company intends to exercise, available to the Perth Property Buyer upon payment of a 1.0% extension fee and absence of an uncured event of default. The Seller Note is secured by a first-priority mortgage on the Property and is unconditionally guaranteed by the Company.

Concurrently, Buyer entered into a term loan with Chicago Atlantic Lincoln, LLC in the original principal amount of $41.0 million (the "**Chicago Atlantic Perth Loan**"), bearing interest at prime plus 5.75% per annum and maturing on May 28, 2028. The Chicago Atlantic Perth Loan is secured by a second-priority mortgage on the Perth Property, subordinated to the Seller Note pursuant to an intercreditor agreement, and is guaranteed by Vireo Health. The Chicago Atlantic Perth Loan permits voluntary prepayment subject to a make-whole premium

*Long-Term Debt Arising from Vireo Health of Rocky Mountain*

On February 27, 2026, CO Acquisition was acquired by VHC pursuant to a membership interest purchase agreement. In connection with the closing of this acquisition, the Company became obligated under $28.2 million of notes payable due to Chicago Atlantic Admin, LLC. The outstanding principal balance bears interest at a fixed rate of 20.0% per annum and matures on December 31, 2029. The default rate of interest is equal to the interest rate *plus* 10.0% per annum. All interest accrued until June 3, 2026 is payable in kind. Thereafter, interest will be paid monthly. If the loans are prepaid in an amount equal to $16 million or more or accelerated on or before March 30, 2027, the borrowers must pay a make-whole amount equal to all interest that would have accrued through March 30, 2027. The notes were repaid during the six months ended June 30, 2026.

In connection with the closing of the Asset Sale, the Company became obligated under $44.3 million of notes payable due to Chicago Atlantic Financial Services, LLC. The unpaid principal amounts outstanding bear interest at a rate of 12%, payable monthly in cash and mature on December 31, 2031. See Note 3 "Business Combinations and Dispositions" for additional information.

*Long-Term debt Arising from the Bridgewell Acquisition*

In connection with the acquisition of Bridgewell, the Company assumed a Loan and Security Agreement (the "Bridgewell Credit Facility") dated April 21, 2026, by and among Agribusiness Holdings Limited Partnership, BWAB Holdings, LLC, and Bridgewell Agribusiness LLC, as borrowers, the lenders party thereto, and Chicago Atlantic Financial Services, LLC, as administrative agent. The Bridgewell Credit Facility provides for term loans in an aggregate principal amount of up to $22.0 million, all of which was funded on the closing date. Borrowings under the Bridgewell Credit Facility bear interest at a fixed cash rate of 12.0% per annum, payable monthly in arrears. The facility matures on August 19, 2026.

In connection with the Bridgewell Acquisition, the Company also assumed five subordinated promissory notes with an aggregate principal balance of approximately $9.1 million, bearing interest at rates ranging from 7% to 15% per annum and maturing on December 31, 2026 or December 31, 2027. These notes are subordinated to the Bridgewell Credit Facility in right of payment.

The following table shows a summary of the Company's long-term debt as of June 30, 2026 and December 31, 2025:

| | June 30, 2026 | December 31, 2025 |
|---|---|---|
| First lien term loan | $ 106.7 | $ 112.7 |
| Chicago Atlantic term loans | 74.7 | 31.2 |
| Mortgage notes | 87.1 | — |
| Bridgewell notes | 29.7 | |
| Other notes | 0.6 | — |
| Total long-term debt | 298.8 | 143.9 |
| Less: current portion | 41.6 | 16.3 |
| Total long-term debt, net of current portion | $ 257.2 | $ 127.6 |

Unless otherwise specified, all deferred financing costs are treated as a contra-liability, to be netted against the outstanding loan balance and amortized over the remaining life of the loan. As of June 30, 2026 and December 31, 2025, $7.5 million and $5.8 million of deferred financing costs remained unamortized, respectively.

As of June 30, 2026, stated maturities of long-term debt were as follows:

| | |
|---|---|
| 2026 | $ 33.6 |
| 2027 | 20.1 |
| 2028 | 207.9 |
| 2029 | 0.4 |
| 2030 | — |
| 2031 | 44.3 |
| Total | $ 306.3 |

**12. Convertible Notes**

On July 7, 2025, the Company retired the existing convertible notes, and issued a $10,000,000 convertible note (the "**New Convertible Notes**") to Chicago Atlantic Opportunity Finance, LLC, also with a second priority interest, that matures on October 2, 2028 with an option to extend for an additional year subject to a 1% extension fee of all Chicago Atlantic loans advanced, has a cash interest rate of the Prime Rate (subject to a 7.5% floor) plus 5.0% per year, and is convertible into that number of the Company's subordinate voting shares determined by dividing (i) the sum of (A) the result of $10,000,000 minus 50.00% of the aggregate amount of all the New Convertible Notes repaid plus (B) all accrued but unpaid interest on the New Convertible Notes on the date of such conversion by (ii) a conversion price equal to $18.75.

In connection with the Bridgewell Acquisition (Note 3), the Company issued the Bridgewell Convertible Notes to the Bridgewell Sellers on June 5, 2026, with an aggregate principal amount of approximately $13.7 million and a fair value of $14.3 million. The Bridgewell Convertible Notes bear interest at a rate of 3.85% per annum and mature five years from the date of issuance. The Bridgewell Convertible Notes are not convertible prior to the second anniversary of issuance. On or after the second anniversary, the Bridgewell Convertible Notes are convertible, at the option of the Bridgewell Sellers, into an aggregate estimated 734,551 subordinate voting shares of the Company at a deemed conversion price of $18.60 per share, subject to final adjustment in accordance with the terms of the Bridgewell SPA and applicable CSE policies.

All deferred financing costs are treated as a contra-liability, to be netted against the outstanding loan balance and amortized over the remaining life of the loan. As of each of June 30, 2026 and December 31, 2025, $0 deferred financing costs remained unamortized, respectively.

The following table shows a summary of the Company's convertible debt as of June 30, 2026 and December 31, 2025:

| | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Beginning of period | $ 9.9 | $ 9.9 |
| Principal repayments | (0.6) | (10.1) |
| Proceeds | 14.3 | 10.0 |
| Amortization of deferred financing costs | — | 0.1 |
| End of period | $ 23.6 | $ 9.9 |
| Less: current portion | 1.3 | 1.3 |
| Total convertible debt, net current portion | $ 22.3 | $ 8.6 |

**13. Stockholders' Equity**

*Shares*

The Company's certificate of incorporation authorized the Company to issue the following classes of shares with the following par value and voting rights as of June 30, 2026. The liquidation and dividend rights are identical among shares equally in the Company's earnings and losses on an as converted basis.

| | Par Value | Authorized | Voting Rights |
|---|---|---|---|
| Subordinate Voting Share ("SVS") | — | Unlimited | 1 vote for each share |
| Multiple Voting Share ("MVS") | — | Unlimited | 100 votes for each share |

On June 1, 2026, the Board approved a share consolidation ratio of 30-for-1, effective at market open on June 5, 2026. Accordingly, all share and per share amounts presented herein have been retroactively adjusted to reflect the impact of the Share Consolidation for all periods presented. As the Company's common shares have no par value, the Share Consolidation had no impact on the Company's total stockholders' equity or on the classification of amounts within stockholders' equity.

*Subordinate Voting Shares*

Holders of subordinate voting shares are entitled to one vote in respect of each subordinate voting share held.

*Multiple Voting Shares*

Holders of multiple voting shares are entitled to one hundred votes for each multiple voting share held.

Multiple voting shares each have the restricted right to convert to one hundred subordinate voting shares subject to adjustments for certain customary corporate changes.

*Shares Issued*

During the six months ended June 30, 2026, 23 multiple voting shares were converted into 2,340 subordinate voting shares for no additional consideration.

During the six months ended June 30, 2026, 7,100,000 subordinate voting shares were issued in connection with the Hawthorne Acquisition. See Note 3 "Business Combinations and Dispositions" for additional information.

During the six months ended June 30, 2026, 3,012,653 subordinate voting shares were issued in connection with the Eaze Merger. See Note 3 "Business Combinations and Dispositions" for additional information.

During the six months ended June 30, 2025, 8,373,668 subordinate voting shares were issued in connection with the Deep Roots Merger. See Note 3 “Business Combinations and Dispositions” for additional information.

During the six months ended June 30, 2025, 4,474,333 subordinate voting shares were issued in connection with the Wholesome Merger. See Note 3 “Business Combinations and Dispositions” for additional information.

During the six months ended June 30, 2025, 6,540,409 subordinate voting shares were issued in connection with the Proper Mergers. See Note 3 “Business Combinations and Dispositions” for additional information.

During the six months ended June 30, 2025, 858 multiple voting shares were converted into 85,797 subordinate voting shares for no additional consideration.

**14. Stock-Based Compensation**

***Impact of Share Consolidation***

The equity compensation plans contain anti-dilution provisions whereby in the event of any change in the capitalization of the Company (including in the event of a share consolidation), the number and type of awards underlying outstanding stock-based compensation awards must be adjusted, as appropriate, in order to prevent dilution or enhancement of rights. The impact of these provisions resulted in a modification of all outstanding stock-based compensation awards upon the Share Consolidation. As the fair value of the awards immediately after the Share Consolidation did not change when compared to the fair value of such awards immediately prior to the Share Consolidation, no incremental compensation costs were recognized as a result of such modifications. In addition, there was no change to the vesting conditions or classification of each of the outstanding stock-based compensation awards.

*Stock Options*

In January 2019, the Company adopted the 2019 Equity Incentive Plan (the “**EIP**”) under which the Company may grant incentive stock options, restricted shares, restricted share units, or other awards. Under the terms of the EIP, a total of ten percent of the number of shares outstanding from time to time, assuming conversion of all super voting shares and MVSs to SVSs are permitted to be issued. The exercise price for incentive stock options issued under the EIP is set by the compensation committee of the Board but may not be less than 100% of the fair market value of the Company’s shares on the date of grant. Incentive stock options have a maximum term of 10 years from the date of grant. The incentive stock options vest at the discretion of the Board.

Options granted under the EIP as of June 30, 2026 and 2025 were valued using the Black-Scholes option pricing model with the following weighted average assumptions:

| | June 30, 2026 | June 30, 2025 |
|---|---|---|
| Risk-Free Interest Rate | 4.43 % | 4.53 % |
| Weighted Average Exercise Price | 12.60 $ | 14.70 |
| Weighted Average Stock Price | 11.55 $ | 14.70 |
| Expected Life of Options (years) | 7.00 | 7.00 |
| Expected Annualized Volatility | 100.00 % | 100.00 % |
| Grant Fair Value | 9.60 $ | 12.30 |
| Expected Forfeiture Rate | N/A | N/A |
| Expected Dividend Yield | N/A | N/A |

Stock option activity for the six months ended June 30, 2026, and for the year ended December 31, 2025, is presented below:

| | Number of Options | Weighted Average Exercise Price | Weighted Avg. Remaining Life |
|---|---|---|---|
| Balance, December 31, 2024 | 1,041,088 | $ 14.53 | 5.45 |
| Forfeitures | (98,524) | 7.80 | — |
| Exercised | (24,106) | 5.10 | — |
| Granted | 238,639 | 18.60 | — |
| Options Outstanding at December 31, 2025 | 1,157,097 | $ 13.50 | 5.76 |
| Forfeitures | (76,674) | 18.42 | — |
| Exercised | (10,056) | 4.80 | — |
| Granted | 21,082 | 12.72 | — |
| Options Outstanding at June 30, 2026 | 1,091,449 | $ 14.31 | 5.52 |
| | | | |
| Options Exercisable at June 30, 2026 | 802,413 | $ 13.21 | 4.16 |

During the three and six-month periods ended June 30, 2026, the Company recognized $0.8 million and $1.5 million, respectively, in stock-based compensation related to stock options, respectively. During the three and six-month periods ended June 30, 2025, the Company recognized $0.2 million and $0.4 million, respectively, in stock-based compensation related to stock options, respectively. As of June 30, 2026, the total unrecognized compensation costs related to unvested stock options awards granted was $2.1 million. In addition, the weighted average period over which the unrecognized compensation expense is expected to be recognized is approximately 1.4 years. The total intrinsic value of stock options outstanding and exercisable as of June 30, 2026, was $1.8 million and $1.8 million, respectively.

The Company does not estimate forfeiture rates when calculating compensation expense. The Company records forfeitures as they occur.

*Warrants*

Warrants to purchase SVS entitle the holder to purchase one SVS of the Company.

A summary of the warrants outstanding is as follows:

| SVS Warrants | Number of Warrants | Weighted Average Exercise Price | Weighted Average Remaining Life |
|---|---|---|---|
| Warrants outstanding at December 31, 2024 | 530,652 | $ 6.49 | 3.56 |
| Expired | (5,000) | 44.70 | — |
| Exercised | (8,854) | 4.35 | — |
| Warrants outstanding at December 31, 2025 | 516,798 | $ 6.66 | 2.56 |
| Granted | 2,666,667 | 25.50 | — |
| Warrants outstanding at June 30, 2026 | 3,183,465 | $ 22.34 | 4.34 |
| | | | |
| Warrants exercisable at June 30, 2026 | 3,183,465 | $ 22.34 | 4.34 |

| SVS Warrants Denominated in C$ | Number of Warrants | Weighted Average Exercise Price | Weighted Average Remaining Life |
|---|---|---|---|
| Warrants outstanding at December 31, 2024 and 2025 | 101,255 | $ 105.00 | 0.23 |
| Expired | (101,255) | — | — |
| Warrants outstanding at June 30, 2026 | — | $ — | — |

*Other*

During the three and six months ended June 30, 2026, the Company entered into a consulting arrangement pursuant to which a consultant was granted equity interests in Vireo Health of Rocky Mountain, a consolidated subsidiary, in exchange

for strategic advisory and consulting services to be provided over the contractual service period. The arrangement was accounted for as share-based compensation under ASC 718, Compensation—Stock Compensation.

The agreement also includes certain repurchase and exchange features that may be settled in securities of the Company. Based on the terms of these provisions, the Company determined that liability classification was appropriate for certain settlement features and recorded a derivative liability, which is remeasured to fair value each reporting period with changes in fair value recognized in earnings.

For the three and six months ended June 30, 2026, the Company recognized share-based compensation expense of $1.8 million and $5.2 million, respectively, related to this arrangement.

*RSUs*

The expense associated with RSUs is generally based on the closing price of the Company's subordinate voting shares on the business day immediately preceding the grant date, adjusted for the absence of future dividends, and is amortized on a straight-line basis over the period during which the awards are expected to vest.

During the year ended December 31, 2025, the Company granted 727,500 RSUs to senior management that vest upon the achievement of specified stock price thresholds of $25.50 and $31.50 per share, for which the value was estimated at the grant date using a Monte Carlo simulation model using a volatility of approximately 100%. The expense is recognized over the derived service period of approximately three years.

The Company also granted 950,000 RSUs to senior management that vest upon the achievement of specified Adjusted EBITDA performance thresholds of $150 million, $165 million, and $205 million during the year ended December 31, 2025. Compensation expense for these awards is recognized when achievement of the performance conditions is considered probable and is recognized over the implied service period of approximately 2-3 years.

During the three and six-months ended June 30, 2026, the Company recognized $4.9 million and $7.7 million, respectively, in stock-based compensation expense related to RSUs. During the three and six months periods ended June 30, 2025, the Company recognized $4.0 million and $5.3 million, respectively, in stock-based compensation expense related to RSUs.

A summary of RSUs is as follows:

| | Number of Shares | Weighted Avg. Fair Value |
|---|---|---|
| Balance, December 31, 2024 | 377,584 | $ 12.00 |
| Granted | 2,370,331 | 12.60 |
| Settled | (760,197) | 14.70 |
| Forfeitures | (2,211) | 54.30 |
| Balance, December 31, 2025 | 1,985,507 | 11.51 |
| Granted | 228,432 | 11.55 |
| Settled | (115,780) | 12.85 |
| Balance, June 30, 2026 | 2,098,159 | $ 11.44 |
| | | |
| Vested at June 30, 2026 | 241,451 | $ 11.35 |

**15. Commitments and Contingencies**

The Company is subject to lawsuits, investigations and other claims related to employment, commercial and other matters that arise out of operations in the normal course of business. Periodically, the Company reviews the status of each significant matter and assesses the potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable, and the amount can be reasonably estimated, such amount is recognized in other liabilities.

Contingent liabilities are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material. The Company performs evaluations to identify contingent liabilities for contracts. Contingent consideration is measured upon acquisition and is estimated using probability weighting of potential payouts. Subsequent changes in the estimated contingent consideration from the final purchase price allocation are recognized in the Company's unaudited interim condensed consolidated statements of operations.

*Legal proceedings*

Verano

On October 29, 2025, the Company reached a comprehensive settlement (the "**Settlement Agreement**") dismissing all outstanding litigation matters between the Company and Verano Holdings Corp. ("**Verano**") that were pending before the Supreme Court of British Columbia, Canada. The terms of the Settlement Agreement were approved by the Board and Verano's board of directors. The value of the settlement to the Company was $9.2 million consisting of the acquisition of $8.2 million of real property and $1.0 million in cash, and was recognized in the fourth quarter of 2025.

*Lease commitments*

The Company leases various facilities, under non-cancelable finance and operating leases, which expire at various dates through September 2041.

## 16. Selling, General and Administrative Expenses

Selling, general and administrative expenses were comprised of the following items for the three and six months ended June 30, 2026 and 2025:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Salaries and benefits | $ 39.8 | $ 7.6 | $ 57.6 | $ 11.5 |
| Stock-based compensation expenses | 7.5 | 4.2 | 14.5 | 5.6 |
| Insurance expenses | 4.3 | 0.3 | 5.8 | 0.7 |
| Occupancy costs | 6.3 | 1.1 | 7.8 | 1.8 |
| Other expenses | 17.9 | 3.4 | 28.0 | 5.9 |
| Total | $ 75.8 | $ 16.6 | $ 113.7 | $ 25.5 |

## 17. Other Income (Expense)

On May 25, 2023, the Company and Grown Rogue International, Inc. ("**Grown Rogue**") entered into a strategic agreement whereby Grown Rogue will support the Company in the optimization of its cannabis flower products. As part of this strategic agreement Grown Rogue granted the Company 8,500,000 warrants to purchase subordinate voting shares of Grown Rogue on October 5, 2023. Subsequently, on October 9, 2024, the Company and Grown Rogue mutually agreed to terminate the strategic agreement. As part of the termination agreement, the Company forfeited 4,500,000 of the previously granted 8,500,000 warrants. The Company's remaining 4,000,000 warrants were revalued at a fair value of $1.4 million and $1.7 million at June 30, 2026 and December 31, 2025, respectively. The three and six months ended June 30, 2026 saw a change in fair value of $0.6 million and ($0.3) million, respectively, which was recorded as other income (expense) in the statement of net loss and comprehensive loss for the three and six month periods ended June 30, 2026.

**18. Segment Reporting**

To identify the Company’s reportable segments the Company considered various factors including, but not limited to, the Company's products and services, production processes, customers, regulatory environment, and business geography, as well as the degree to which the CODM evaluates the Company's performance and allocates resources.

As a result of the Company's acquisitions of Hawthorne in April 2026 and Bridgewell in June 2026, the Company expanded its operations beyond cannabis into the supply of horticultural and agricultural products to a broader customer base outside of the cannabis industry. Following these acquisitions, the Company reassessed its segment structure and determined that it has two reportable segments: (i) Cannabis and (ii) Non-Cannabis, based on discrete financial information regularly reviewed by the Company's CODM in evaluating performance and allocating resources.

The Company determined that Cannabis and Non-Cannabis represent separate reportable segments because (a) the Cannabis segment's products and services are limited to various forms of cannabis products, while the Non-Cannabis segment's products and services consist of nutrients, lighting, and other materials used for indoor and hydroponic gardening, as well as organic and non-GMO agricultural commodities and food ingredients; (b) the Cannabis segment's customers include retail and wholesale cannabis customers, while the Non-Cannabis segment's customers include manufacturers and other commercial customers outside of the cannabis industry; (c) the Cannabis segment operates within the regulatory environment governing state-legal cannabis markets in the United States, while the Non-Cannabis segment is not subject to such cannabis-specific regulatory regimes; and (d) the Company's CODM reviews discrete financial information and allocates resources separately for each segment.

The Company's Chief Executive Officer serves as the Company's CODM. The CODM assesses performance for each reportable segment and decides how to allocate resources based primarily based on segment operating income (loss), but also based on segment revenues, product costs, operating expenses and gross profit, which is reconciled to consolidated net income (loss) as reported on the statement of net loss and comprehensive loss. The CODM also reviews the significant expense categories presented in the table below in evaluating each segment's performance. A comparison of budgeted results to actual results, by segment, is also used by the CODM to assess business performance.

The Company's Cannabis segment cultivates, processes, and distributes medical and adult-use cannabis products in a variety of formats, as well as related accessories, in the United States. The Company's Non-Cannabis segment provides nutrients, lighting, and other materials used for indoor and hydroponic gardening, and supplies organic and non-GMO agricultural commodities and food ingredients to manufacturers, in the United States. Revenue for both segments is derived from sales in the United States, and the operations of each segment are also located in the United States. The Company's CODM does not review total assets by segment in evaluating segment performance or allocating resources; accordingly, no such measures are disclosed by segment. The accounting policy for recording revenue, and all other accounting policies, are the same as those described in Note 2 "Summary of Significant Accounting Policies."

| | Three Months Ended June 30, 2026 | | |
|---|---|---|---|
| | Cannabis | Non-Cannabis | TOTAL |
| Revenue | $ 175.8 | $ 33.5 | $ 209.3 |
| Product costs | (83.4) | (27.5) | (110.9) |
| Non-cash product costs | (1.5) | (1.2) | (2.7) |
| Inventory valuation adjustments | (0.4) | — | (0.4) |
| Segment Gross Profit | 90.5 | 4.8 | 95.3 |
| Salaries and wages | (39.3) | (0.5) | (39.8) |
| Other selling, general and administrative expenses[1] | (24.4) | (4.1) | (28.5) |
| Depreciation | (1.7) | — | (1.7) |
| Amortization | (4.1) | (0.3) | (4.4) |
| **Segment operating income (loss)** | 21.0 | (0.1) | 20.9 |
| Transaction related expenses | | | (19.7) |
| Stock-based compensation expenses | | | (7.5) |
| Other income (expenses), net | | | 20.5 |
| **Income (loss) before income taxes** | | | $ 14.2 |

| | Six Months Ended June 30, 2026 | | |
|---|---|---|---|
| | Cannabis | Non-Cannabis | TOTAL |
| Revenue | $ 282.0 | $ 33.5 | $ 315.5 |
| Product costs | (129.8) | (27.5) | (157.3) |
| Non-cash product costs | (1.8) | (1.2) | (3.0) |
| Inventory valuation adjustments | (0.6) | — | (0.6) |
| Segment Gross Profit | 149.8 | 4.8 | 154.6 |
| Salaries and wages | (57.1) | (0.5) | (57.6) |
| Other selling, general and administrative expenses[1] | (37.5) | (4.1) | (41.6) |
| Depreciation | (2.8) | — | (2.8) |
| Amortization | (6.8) | (0.3) | (7.1) |
| **Segment operating income (loss)** | 45.6 | (0.1) | 45.5 |
| Transaction related expenses | | | (28.4) |
| Stock-based compensation expenses | | | (14.5) |
| Other income (expenses), net | | | 7.4 |
| **Income (loss) before income taxes** | | | $ 10.0 |

[1] Includes insurance expenses, occupancy expenses, and other general expenses. Does not include stock-based compensation expenses.

### 19. Supplemental Cash Flow Information[1]

| | June 30, 2026 | June 30 2025 |
|---|---|---|
| Cash paid for interest | $ 13.8 | $ 13.7 |
| Cash paid for income taxes | 6.2 | — |
| Change in construction accrued expenses | (4.0) | 0.5 |
| Acquisitions: | — | — |
| Total consideration transferred | 264.1 | 239.5 |
| Cash acquired | (62.0) | (38.3) |
| Total non-cash investing and financing activities, net of cash acquired | 202.1 | 201.2 |

(1) For supplemental cash flow information related to leases, refer to Note 8 “Leases.”

**20. Financial Instruments and Risk Management**

*Credit risk*

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, and accounts receivable. A small portion of cash is held on hand, from which management believes the risk of loss is remote. Receivables relate primarily to wholesale sales. The Company does not have significant credit risk with respect to customers. The Company's maximum credit risk exposure is equivalent to the carrying value of these instruments. The Company has been granted licenses pursuant to the laws of the states it operates in with respect to cultivating, processing, and/or distributing marijuana. Presently, this industry is illegal under United States federal law. The Company has adhered, and intends to continue to adhere, strictly to the applicable state statutes in its operations.

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of June 30, 2026, the Company's financial liabilities consist of accounts payable and accrued liabilities, debt and convertible debt. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. Historically, the Company's main source of funding has been additional funding from investors and debt issuances. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity financing.

*Legal Risk*

The Company operates in the United States. The U.S. federal government regulates drugs through the CSA, which places controlled substances, including cannabis, in a schedule. Recent federal action, however, resulted in the rescheduling to Schedule III of (i) FDA-approved drug products containing marijuana and (ii) marijuana in any form covered by a state medical marijuana license. Regarding state-legal medical marijuana, the DEA also created a pathway for state medical marijuana licensees to register and continue operating compliantly under Schedule III.

As a general matter, however, cannabis remains a Schedule I drug outside of the specific conditions outlined above. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, has no accepted medical use in the U.S., and lacks accepted safety for use under medical supervision. Although the FDA has approved certain drugs containing marijuana, it has not approved marijuana itself as a safe and effective drug. In the U.S., marijuana is largely regulated at the state level. Despite recent federal action to align state medical licensing requirements with Schedule III registration requirements, state laws regulating adult-use cannabis are still in direct conflict with the CSA, which makes adult-use cannabis use and possession federally illegal.

*Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. Given the Company's financial transactions are rarely denominated in a foreign currency, there is minimal foreign currency risk exposure.

*Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently carries variable interest-bearing debt subject to fluctuations in the United States Prime rate and Secured Overnight Financing Rate. However, management believes that the impact of reasonably possible changes in interest rates on the Company's consolidated results of operations and cash flows would not be material.

**21. Related Party Transactions**

As of each of June 30, 2026 and December 31, 2025, the Company owed $0.4 million and $2.0 million, due to related parties.

Details surrounding the lending relationships between the Company and Chicago Atlantic, are described in Note 11 “Long-Term Debt” and Note 12 “Convertible Notes.”

During the three months ended June 30, 2026 and 2025, the Company paid Chicago Atlantic $4.5 million and $0, respectively, for certain underwriting services, legal services, accounting services, data analytics services, and real estate services. During the six months ended June 30, 2026 and 2025, the Company paid Chicago Atlantic $6.0 million and $0, respectively, for certain underwriting services, legal services, accounting services, data analytics services, and real estate services.

John Mazarakis, the Company’s Chief Executive Officer, is a partner of Chicago Atlantic Group, LP, an affiliate of Chicago Atlantic Admin, LLC.

**22. Income Taxes**

Following an April 2026 U.S. Department of Justice order reclassifying state-licensed medical cannabis from Schedule I to Schedule III of the Controlled Substances Act, management has concluded, at the more-likely-than-not level under ASC 740-10-25, that a reasonably apportioned share of selling, general and administrative expenses attributable to the Company's medical cannabis activity is deductible in states where the Company conducts both medical and recreational operations. The Company has applied this position prospectively, beginning April 23, 2026. As a result, the portion of selling, general and administrative expenses apportioned to medical activity on or after that date no longer gives rise to an uncertain tax position, whereas such expenses continue to be subject to an uncertain tax position for periods prior to April 23, 2026.

This position, including its effective date and the methodology used to apportion costs between medical and recreational activity, involves significant estimation and judgment in the absence of formal Treasury or IRS guidance, which is expected but has not yet been issued. The Company will continue to monitor forthcoming guidance and related regulatory developments and will revise its position and estimates as further information becomes available, which could result in a material adjustment to the Company's income tax provision in future periods.

**23. Subsequent Events**

On July 16, 2026, Vireo Health of PA, LLC, a Delaware limited liability company and a wholly-owned subsidiary of the Company (“Vireo Health PA”), completed its acquisition of all of the issued and outstanding limited liability company membership interests of FarmX, LLC d/b/a PhytoNatural ("PhytoNatural"), via Vive Penn, LLC (“Vive”), a joint venture between Vireo Health PA and Hive Holdints, Inc., pursuant to a Securities Purchase Agreement (the “PhytoNatural Acquisition”). The PhytoNatural Acquisition includes a non-operational Pennsylvania medical cannabis retail permit that, subject to applicable regulatory approvals, authorizes the operation of up to six dispensaries in the Commonwealth. Total consideration for the transaction was $20.0 million, consisting of $8.0 million paid in cash by Vive at closing and approximately $12.0 million payable by the Company through the issuance of approximately 645,161 subordinate voting shares at a deemed issue price of $18.60 per share, issuable two years following the closing date.

On July 20, 2026, the Company, through its subsidiary Vireo Health of Arcadia, LLC ("Vireo Health Arcadia"), entered into a definitive purchase agreement with The Cannabist Company Holdings Inc. ("Cannabist"), pursuant to which Vireo Health Arcadia will acquire certain cannabis cultivation, manufacturing, and retail operations from subsidiaries of Cannabist across five markets: Colorado, Illinois, Massachusetts, New Jersey, and West Virginia (the “Cannabist

Acquisition"). Total consideration for the Cannabist Acquisition, subject to certain regulatory approvals, will be up to $35.0 million, comprised of up to $18.75 million in cash payable at closing and up to $16.25 million in seller notes. Total consideration is subject to customary adjustments based on target levels of cash, indebtedness, tax liabilities, working capital, and certain other items.

On July 27, 2026, the Company entered into a definitive merger agreement with Planet 13 Holdings Inc. ("Planet 13"), pursuant to which the Company will acquire all issued and outstanding equity interests of Planet 13, with each share of Planet 13 common stock (subject to certain exclusions) converting into 0.015383618 of a Vireo subordinate voting share; the transaction remains subject to customary closing conditions, including Planet 13 stockholder approval, effectiveness of the Form S-4 registration statement, to be filed by the Company, CSE listing approval, and applicable cannabis regulatory approvals.

On July 31, 2026, the Company entered into four separate definitive Securities Purchase Agreements with FarmaceuticalRx LLC, FarmaceuticalRx 2 LLC, CAOH LLC, and Canoe Hill Ohio, LLC (collectively, the "Ohio Entities") to acquire all issued and outstanding membership interests of the Ohio Entities and certain of their subsidiaries, comprising eight dispensaries, a cultivation and processing facility, and related real estate in Ohio (collectively, the "Ohio Transactions"), subject to regulatory approvals and customary closing conditions. Consideration for the Ohio Transactions consists of approximately 11 million Vireo subordinate voting shares, issued in three tranches (50% at closing, 25% approximately 90 days following closing, and 25% approximately 180 days following closing), with the deferred tranches subject to a performance-based forfeiture mechanism permitting Vireo to claw back up to 25% of the shares issued if specified thresholds are not met.

On August 7, 2026, the Company completed its previously announced acquisition of certain Colorado retail assets of PharmaCann Inc. for consideration of approximately 3.0 million subordinate voting shares.

On August 7, 2026, certain of the Company's indirect non-cannabis subsidiaries entered into a five-year senior secured asset-based revolving credit facility, led by Bank of Montreal as administrative agent, providing a $65.0 million initial commitment, expandable to $105.0 million through additional commitments and an accordion feature, subject to customary conditions. Borrowings bear interest, at the borrowers' election, at Term SOFR plus 1.75% to 2.00% or the base rate plus 0.75% to 1.00%, based on average availability, and undrawn commitments carry a 0.25% annual unused commitment fee.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with the financial information and the notes thereto included in Part I, Item 1 of this Quarterly Report on Form 10-Q. References to "we," "our," "us," the "Company," and "Vireo Growth" refer to Vireo Growth, Inc. together with its subsidiaries unless the context otherwise requires. Amounts are presented in United States dollars, except as otherwise indicated.

### Forward-Looking Statements

*Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our outlook, plans and strategy for our business and potential financing, includes "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**"), or "forward-looking information" within the meaning of Canadian securities laws. These statements are often identified by the use of words such as "anticipate," "believe," "continue," "remain," "could," "estimate," "expect," "intend," "may," "plan," "project," "will," "would," "should," "potential," "intention," "strategy," "strategic," "approach," "subject to," "possible," "pending," "if," or the negative or plural of these words or similar expressions or variations. Such forward-looking statements and forward-looking information are subject to a number of risks, uncertainties, assumptions and other factors that could cause actual results and the timing of certain events to differ materially from*

*future results expressed or implied by the forward-looking statements or forward-looking information. Factors that could cause or contribute to such differences include, but are not limited to, those identified in this Quarterly Report on Form 10-Q and those discussed in the section titled "Risk Factors" set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025, as amended, and in our other SEC and Canadian public filings. Such forward-looking statements reflect our beliefs and opinions on the relevant subject based on information available to us as of the date of this report, and while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements. You should not rely upon forward-looking statements or forward-looking information as predictions of future events. Furthermore, such forward-looking statements or forward-looking information speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements or forward-looking information to reflect events or circumstances after the date of such statements.*

**Overview of the Company**

Vireo Growth is a multi-segment company the mission of which is to provide safe access, quality products, and value to its customers while supporting its local communities through active participation and restorative justice programs. The Company is evolving with the cannabis industry and is in the midst of a transformation to being significantly more customer-centric across its operations. Through our Cannabis segment, we cultivate, manufacture, and distribute cannabis products through our growing network of retail dispensaries we own or operate, as well as to third-party dispensaries, across limited-license markets through our state-licensed subsidiaries. Through our Non-Cannabis segment, we supply nutrients, lighting, and other horticultural products to the indoor and hydroponic gardening industry, and organic, non-GMO, and conventional food and agricultural ingredients to food manufacturers and retailers.

**Reporting Segments**

We report our operating results in two business segments: (i) Cannabis and (ii) Non-Cannabis.

Our Cannabis segment cultivates, manufactures, and distributes cannabis products to third parties in wholesale markets and sells cannabis products directly to approved patients and adult-use customers in our owned or operated retail stores. During the three months ended June 30, 2026, the Cannabis segment had operating revenue in ten states: California, Colorado, Florida, Maryland, Minnesota, Missouri, Nevada, New Mexico, New York, and Utah.

Our Non-Cannabis segment provides nutrients, lighting, and other materials used for indoor and hydroponic gardening in North America through The Hawthorne Gardening Company LLC and certain of its subsidiaries ("Hawthorne"), which was acquired on April 8, 2026, and supplies organic, non-GMO, and conventional food and agricultural products, including natural ingredients such as grains, flours, edible oils, beans, nuts, and specialty ingredients, to food manufacturers and retailers through Bridgewell Agribusiness LLC and certain of its subsidiaries ("Bridgewell"), which was acquired on June 5, 2026. Unlike our Cannabis segment, the Non-Cannabis segment serves a broad commercial customer base and is not subject to state cannabis licensing or regulatory regimes. The Non-Cannabis segment's results are included in our consolidated results from the respective acquisition dates of each of Hawthorne and Bridgewell.

**Business Combinations**

On December 18, 2024, we entered into the Merger Agreements in connection with the Deep Roots Merger, the Proper Mergers, and the Wholesome Merger. Each Merger was an all-share transaction whereby, at the closing of each Merger, (i) a new wholly-owned subsidiary of the Company merged with and into Deep Roots, (ii) a new wholly-owned subsidiary of the Company merged with and into Wholesome, and (iii) the Proper Companies each merged with and into new wholly-owned subsidiaries of the Company. None of the Mergers were contingent upon the completion of any of the other Mergers. The Wholesome Merger closed on May 12, 2025, the Proper Mergers closed on June 5, 2025, and the Deep Roots Merger closed on June 6, 2025.

On March 19, 2026, the Company completed the acquisition of a controlling interest in Vireo Health of Rocky Mountain, LLC, which acquired 45 dispensaries and two manufacturing facilities in Colorado and New Mexico through the Schwazze restructuring transaction.

On April 1, 2026, the Company completed the acquisition of Eaze Inc. ("Eaze"), a cannabis delivery and technology platform operating in California and Florida. On April 8, 2026, the Company completed the acquisition of Hawthorne from The Scotts Miracle-Gro Company. On June 5, 2026, the Company completed the acquisition of all of the issued and outstanding partnership interests of Bridgewell. The Hawthorne and Bridgewell acquisitions represent the Company's strategic expansion into operations outside of the cannabis industry, establishing the Company's Non-Cannabis segment. See Note 3 for additional information regarding these acquisitions.

***Three months ended June 30, 2026, Compared to Three months ended June 30, 2025***

*Revenue*

We derived our revenue from two reportable segments: Cannabis and Non-Cannabis.

Cannabis segment revenue is derived from cultivating, processing, and distributing cannabis products through our dispensaries in ten states and our wholesale sales to third parties. For the three months ended June 30, 2026, 88% of our Cannabis segment revenue was generated from retail dispensaries and 12% from the wholesale business. For the three months ended June 30, 2025, 77% of our revenue was generated from retail business and 23% from wholesale business.

Cannabis segment revenue for the three months ended June 30, 2026, was $175.8 million, an increase of $127.7 million or 265% compared to revenue of $48.1 million for the three months ended June 30, 2025, primarily driven by the acquisitions of Eaze and Vireo Health of Rocky Mountain in 2026, as well as the acquisitions of Wholesome, Deep Roots, and Proper, which were completed in the second quarter of 2025, and therefore contributed only partially to the prior year comparative period.

Retail revenue for the three months ended June 30, 2026, was $154.1 million, an increase of $117.3 million or 319% compared to retail revenue of $36.8 million for the three months ended June 30, 2025 primarily driven by the acquisitions of Eaze and Vireo Health of Rocky Mountain in 2026, as well as the acquisitions of Wholesome, Deep Roots, and Proper, which were completed in the second quarter of 2025, and therefore contributed only partially to the prior year comparative period.

Wholesale revenue for the three months ended June 30, 2026, was $21.7 million, an increase of $10.4 million or 92% compared to wholesale revenue of $11.3 million for the three months ended June 30, 2025, primarily driven by increased throughput in the New York market, as well as the acquisitions of Wholesome, Deep Roots, and Proper, which were completed in the second quarter of 2025, and therefore contributed only partially to the prior year comparative period.

Non-Cannabis segment revenue for the three months ended June 30, 2026, was $33.5 million, reflecting partial-period contributions from Hawthorne, acquired April 8, 2026, and Bridgewell, acquired June 5, 2026. There is no comparative revenue for the three months ended June 30, 2025, as no non-cannabis business was owned during that period.

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2026 | 2025 | $ Change | % Change |
| **Retail:** | | | | |
| MN | $ 19.0 | $ 10.9 | $ 8.1 | 74 % |
| NY | 0.8 | 1.1 | (0.3) | (27)% |
| MD | 6.7 | 6.7 | — | — % |
| UT | 13.1 | 6.1 | 7.0 | 115 % |
| NV | 28.3 | 6.4 | 21.9 | 342 % |
| MO | 20.9 | 5.6 | 15.3 | 273 % |
| CO | 28.4 | — | 28.4 | 100 % |
| NM | 9.4 | — | 9.4 | 100 % |
| CA | 18.0 | — | 18.0 | 100 % |
| FL | 9.5 | — | 9.5 | 100 % |
| **Total Retail** | **$ 154.1** | **$ 36.8** | **$ 117.3** | **319 %** |
| | | | | |
| **Wholesale:** | | | | |
| MN | $ 0.1 | $ 0.2 | $ (0.1) | (50)% |
| NY | 8.9 | 4.1 | 4.8 | 117 % |
| MD | 3.4 | 4.2 | (0.8) | (19)% |
| UT | 2.4 | 1.1 | 1.3 | 118 % |
| NV | 0.1 | — | 0.1 | 100 % |
| MO | 5.9 | 1.7 | 4.2 | 247 % |
| CO | 0.9 | — | 0.9 | 100 % |
| **Total Wholesale** | **$ 21.7** | **$ 11.3** | **$ 10.4** | **92 %** |
| | | | | |
| **Total Cannabis Revenue** | **$ 175.8** | **$ 48.1** | **$ 127.7** | **265 %** |
| | | | | |
| Non-Cannabis Revenue | 33.5 | — | 33.5 | 100 % |
| | | | | |
| **Total Revenue** | **$ 209.3** | **$ 48.1** | **$ 161.2** | **335 %** |

*Cost of Sales and Gross Profit*

Gross profit reflects total net revenue less cost of sales. Cost of sales represents the costs attributable to producing bulk materials and finished goods, which includes direct materials, labor, and certain indirect costs such as depreciation, insurance, utilities, and valuation adjustments.

For the Cannabis segment, cost of sales is determined from costs related to the cultivation and processing of cannabis and cannabis-derived products, as well as the cost of finished goods inventory purchased from third parties and valuation adjustments. Cannabis costs are affected by various state regulations that limit the sourcing and procurement of cannabis products, which may create fluctuations in gross profit over comparative periods as the regulatory environment changes.

For the Non-Cannabis segment, cost of sales is determined from costs related to the procurement and distribution of horticultural products, including nutrients and lighting, through Hawthorne, and the sourcing and supply of organic, non-GMO, and conventional food and agricultural ingredients through Bridgewell. Non-Cannabis cost of sales may fluctuate over comparative periods due to changes in commodity prices, supply chain conditions, and product mix.

*Cannabis Segment*

Cost of sales for the Cannabis segment for the three months ended June 30, 2026, was $85.3 million, an increase of $57.6 million compared to $27.7 million for the three months ended June 30, 2025, primarily driven by the increase in sales and acquisition activity. Cost of sales are determined from costs related to the cultivation and processing of cannabis and cannabis-derived products as well as the cost of finished goods inventory purchased from third parties and valuation adjustments.

Gross profit for the Cannabis segment for the three months ended June 30, 2026, was $90.5 million, representing a gross margin of 51%. In comparison, gross profit for the three months ended June 30, 2025, was $20.4 million or a 42% gross margin primarily driven by the decrease in non-cash product costs associated with the acquisition related inventory fair value step up.

*Non-Cannabis Segment*

Cost of sales for the Non-Cannabis segment for the three months ended June 30, 2026, was $28.7 million. There is no comparative cost of sales for the three months ended June 30, 2025, as no non-cannabis business was owned during that period.

Gross profit for the Non-Cannabis segment for the three months ended June 30, 2026, was $4.8 million, representing a gross margin of 14%. There is no comparative gross profit for the three months ended June 30, 2025, as no non-cannabis business was owned during that period.

*Total Expenses*

Total expenses other than the cost of sales consist of selling costs to support customer relationships, marketing, and branding activities. They also include a significant investment in the corporate infrastructure required to support ongoing business. Total expenses reflect costs across both the Cannabis and Non-Cannabis segments, as well as unallocated corporate expenses.

Selling costs generally correlate to revenue. In the short-term as a percentage of sales, we expect selling costs to remain relatively flat. However, as anticipated positive regulatory developments in our core markets occur, we expect selling costs as a percentage of sales to decrease via growth in our retail and wholesale channels.

General and administrative expenses also include costs incurred at the corporate offices, primarily related to personnel costs, including salaries, benefits, and other professional service costs, as well as corporate insurance, legal and professional fees associated with being a publicly traded company. We expect general and administrative expenses as a percentage of sales to decrease as we realize revenue growth both organically and through anticipated positive regulatory developments in our core markets.

*Cannabis Segment*

Total expenses for the three months ended June 30, 2026, were $88.3 million, an increase of $65.9 million compared to total expenses of $22.4 million for the three months ended June 30, 2025 primarily driven by the acquisitions of Eaze and Vireo Health of Rocky Mountain in 2026, as well as the acquisitions of Wholesome, Deep Roots, and Proper, which were completed in the second quarter of 2025, and therefore contributed only partially to the prior year comparative period.

*Non-Cannabis Segment*

Total expenses for the Non-Cannabis segment for the three months ended June 30, 2026, were $13.3 million. There is no comparative figure for the three months ended June 30, 2025, as no non-cannabis business was owned during that period.

*Income (loss) from operations*

Loss from operations for the three months ended June 30, 2026, was $6.3 million an increase of $4.3 million compared to a loss of $2.0 million for the three months ended June 30, 2025.

*Total Other Income (Expense)*

Total other income for the three months ended June 30, 2026, was $20.5 million an increase of $28.6 million compared to total other expense of $8.1 million for the three months ended June 30, 2025. This change was primarily attributable to the bargain purchase gain recognized in connection with the Hawthorne acquisition.

*Provision for Income Taxes*

Income tax expense is recognized based on the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end. For the three months ended June 30, 2026, tax expense totaled $14.3 million compared to tax expense of $4.8 million for the three months ended June 30, 2025. The increase in tax expense was driven by the increase in gross profit relative to the prior year.

***Six months ended June 30, 2026, Compared to Six months ended June 30, 2025***

*Revenue*

We derived our revenue from two reportable segments: Cannabis and Non-Cannabis.

Cannabis segment revenue is derived from cultivating, processing, and distributing cannabis products through our dispensaries in ten states and our wholesale sales to third parties. For the six months ended June 30, 2026, 87% of our Cannabis segment revenue was generated from retail dispensaries and 13% from the wholesale business. For the six months ended June 30, 2025, 77% of our revenue was generated from retail business and 23% from wholesale business.

Cannabis segment revenue for the six months ended June 30, 2026, was $282.0 million, an increase of $209.4 million or 288% compared to revenue of $72.6 million for the six months ended June 30, 2025, primarily driven by the acquisitions of Eaze and Vireo Health of Rocky Mountain in 2026, as well as the acquisitions of Wholesome, Deep Roots, and Proper, which were completed in the second quarter of 2025, and therefore contributed only partially to the prior year comparative period.

Retail revenue for the six months ended June 30, 2026, was $244.0 million, an increase of $188.0 million or 336% compared to retail revenue of $56.0 million for the six months ended June 30, 2025, primarily driven by the acquisitions of Eaze and Vireo Health of Rocky Mountain in 2026, as well as the acquisitions of Wholesome, Deep Roots, and Proper, which were completed in the second quarter of 2025, and therefore contributed only partially to the prior year comparative period.

Wholesale revenue for the six months ended June 30, 2026, was $38.0 million, an increase of $21.4 million or 129% compared to wholesale revenue of $16.6 million for the six months ended June 30, 2025, primarily driven by increased throughput in the New York market, as well as the acquisitions of Wholesome, Deep Roots, and Proper, which were completed in the second quarter of 2025, and therefore contributed only partially to the prior year comparative period.

Non-Cannabis segment revenue for the six months ended June 30, 2026, was $33.5 million, reflecting partial-period contributions from Hawthorne, acquired April 8, 2026, and Bridgewell, acquired June 5, 2026. There is no comparative revenue for the six months ended June 30, 2025, no non-cannabis business was owned during that period.

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2026 | 2025 | $ Change | % Change |
| **Retail:** | | | | |
| MN | $ 37.2 | $ 22.1 | $ 15.1 | 68 % |
| NY | 1.6 | 2.3 | (0.7) | (30)% |
| MD | 13.3 | 13.5 | (0.2) | (1)% |
| UT | 25.4 | 6.1 | 19.3 | 316 % |
| NV | 55.7 | 6.4 | 49.3 | 770 % |
| MO | 41.6 | 5.6 | 36.0 | 643 % |
| CO | 31.1 | — | 31.1 | 100 % |
| NM | 10.6 | — | 10.6 | 100 |
| CA | 18.0 | — | 18.0 | 100 % |
| FL | 9.5 | — | 9.5 | 100 % |
| **Total Retail** | **$ 244.0** | **$ 56.0** | **$ 188.0** | **336 %** |
| | | | | |
| **Wholesale:** | | | | |
| MN | $ 0.1 | $ 0.4 | $ (0.3) | (75)% |
| NY | 14.1 | 5.1 | 9.0 | 176 % |
| MD | 6.8 | 8.3 | (1.5) | (18)% |
| UT | 5.2 | 1.1 | 4.1 | 373 % |
| NV | 0.3 | — | 0.3 | 100 % |
| MO | 10.6 | 1.7 | 8.9 | 524 % |
| CO | 0.9 | — | 0.9 | 100 % |
| **Total Wholesale** | **$ 38.0** | **$ 16.6** | **$ 21.4** | **129 %** |
| | | | | |
| **Total Cannabis Revenue** | **$ 282.0** | **$ 72.6** | **$ 209.4** | **288 %** |
| | | | | |
| Non-Cannabis Revenue | 33.5 | — | 33.5 | 100 **%** |
| | | | | |
| **Total Revenue** | **$ 315.5** | **$ 72.6** | **$ 242.9** | **335** % |

*Cost of Sales and Gross Profit*

Gross profit reflects total net revenue less cost of sales. Cost of sales represents the costs attributable to producing bulk materials and finished goods, which includes direct materials, labor, and certain indirect costs such as depreciation, insurance, utilities, and valuation adjustments.

For the Cannabis segment, cost of sales is determined from costs related to the cultivation and processing of cannabis and cannabis-derived products, as well as the cost of finished goods inventory purchased from third parties and valuation adjustments. Cannabis costs are affected by various state regulations that limit the sourcing and procurement of cannabis products, which may create fluctuations in gross profit over comparative periods as the regulatory environment changes.

For the Non-Cannabis segment, cost of sales is determined from costs related to the procurement and distribution of horticultural products, including nutrients and lighting, through Hawthorne, and the sourcing and supply of organic, non-GMO, and conventional food and agricultural ingredients through Bridgewell. Non-Cannabis cost of sales may fluctuate over comparative periods due to changes in commodity prices, supply chain conditions, and product mix.

*Cannabis Segment*

Cost of sales for the Cannabis segment for the six months ended June 30, 2026, was $132.2 million, an increase of $92.4 million compared to $39.8 million for the six months ended June 30, 2025, primarily driven by the increase in sales and acquisition activity. Cost of sales are determined from costs related to the cultivation and processing of cannabis and cannabis-derived products as well as the cost of finished goods inventory purchased from third parties and valuation adjustments.

Gross profit for the Cannabis segment for the six months ended June 30, 2026, was $149.8 million, representing a gross margin of 53%. In comparison, gross profit for the six months ended June 30, 2025, was $32.8 million or a 45% gross margin primarily driven by the decrease in non-cash product costs associated with the acquisition related inventory fair value step up.

*Non-Cannabis Segment*

Cost of sales for the Non-Cannabis segment for the six months ended June 30, 2026, was $28.7 million. There is no comparative cost of sales for the six months ended June 30, 2025, as no non-cannabis business was owned during that period.

Gross profit for the Non-Cannabis segment for the six months ended June 30, 2026, was $4.8 million, representing a gross margin of 14.3%. There is no comparative gross profit for the six months ended June 30, 2025, as no non-cannabis business was owned during that period.

*Total Expenses*

Total expenses other than the cost of sales consist of selling costs to support customer relationships, marketing, and branding activities. They also include a significant investment in the corporate infrastructure required to support ongoing business. Total expenses reflect costs across both the Cannabis and Non-Cannabis segments, as well as unallocated corporate expenses.

Selling costs generally correlate to revenue. In the short-term as a percentage of sales, we expect selling costs to remain relatively flat. However, as anticipated positive regulatory developments in our core markets occur, we expect selling costs as a percentage of sales to decrease via growth in our retail and wholesale channels.

General and administrative expenses also include costs incurred at the corporate offices, primarily related to personnel costs, including salaries, benefits, and other professional service costs, as well as corporate insurance, legal and professional fees associated with being a publicly traded company. We expect general and administrative expenses as a percentage of sales to decrease as we realize revenue growth both organically and through anticipated positive regulatory developments in our core markets.

*Cannabis Segment*

Total expenses for the six months ended June 30, 2026, were $135.9 million, an increase of $103.0 million compared to total expenses of $32.9 million for the six months ended June 30, 2025, primarily driven by the acquisitions of Eaze and Vireo Health of Rocky Mountain in 2026, as well as the acquisitions of Wholesome, Deep Roots, and Proper, which were completed in the second quarter of 2025, and therefore contributed only partially to the prior year comparative period.

*Non-Cannabis Segment*

Total expenses for the Non-Cannabis segment for the six months ended June 30, 2026, were $16.0 million. There is no comparative figure for the six months ended June 30, 2025, as no non-cannabis business was owned during that period.

*Income (loss) from operations*

Income from operations for the six months ended June 30, 2026, was $2.6 million an increase of $2.7 million compared to a loss of $0.1 million for the six months ended June 30, 2025.

*Total Other Income (Expense)*

Total other income for the six months ended June 30, 2026, was $7.4 million an increase of $22.2 million compared to total other expense of $14.8 million for the six months ended June 30, 2025. This change was primarily attributable to the bargain purchase gain recognized in connection with the Hawthorne acquisition.

*Provision for Income Taxes*

Income tax expense is recognized based on the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end. For the six months ended June 30, 2026, tax expense totaled $30.4 million compared to tax expense of $6.5 million for the six months ended June 30, 2025. The increase in tax expense was driven by the increase in gross profit relative to the prior year.

## NON-GAAP MEASURES

Earnings before interest, taxes, depreciation and amortization ("**EBITDA**") and Adjusted EBITDA are non-GAAP measures that do not have standardized definitions under GAAP. Total revenues, excluding revenues from states where we have divested operations, is also a non-GAAP measure that does not have a standardized definition under GAAP. The following information provides reconciliations of the supplemental non-GAAP financial measures EBITDA and Adjusted EBITDA presented herein to the most directly comparable financial measures calculated and presented in accordance with GAAP. Reconciliations of the supplemental non-GAAP financial measure, total revenues, that exclude revenues from states where we have divested operations presented herein to the most directly comparable financial measures calculated in accordance with GAAP can be found in the tables above where the measure appears. We have provided these non-GAAP financial measures, which are not calculated or presented in accordance with GAAP, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. These supplemental non-GAAP financial measures are presented because management has evaluated the financial results both including and excluding the adjusted items and believes that the supplemental non-GAAP financial measures presented provide additional perspective and insights when analyzing the core operating performance of the business. The supplemental non-

GAAP financial measures should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented.

| | Six Months Ended June 30, | | Three Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| **Net income (loss)** | $ (20.4) | $ (21.4) | $ (0.1) | $ (14.9) |
| Interest expense, net | 17.2 | 15.2 | 9.5 | 7.6 |
| Income taxes | 30.4 | 6.5 | 14.3 | 4.9 |
| Depreciation & Amortization | 9.9 | 1.4 | 6.1 | 1.1 |
| Depreciation and amortization included in cost of sales | 7.1 | 1.4 | 4.2 | 0.9 |
| **EBITDA (non-GAAP)** | $ 44.2 | $ 3.1 | $ 34.0 | $ (0.4) |
| Non-cash inventory adjustments | 3.6 | 4.4 | 3.1 | 3.9 |
| Grown Rogue termination fee included in cost of goods sold | — | 0.5 | — | 0.3 |
| Change in the fair value of contingent consideration | 2.6 | — | (2.9) | — |
| Stock-based compensation | 14.5 | 5.6 | 7.5 | 4.2 |
| Transaction related expenses | 28.4 | 6.0 | 19.7 | 4.7 |
| One time legal costs | 2.4 | — | 2.4 | — |
| Other (income) expense | (0.5) | (0.4) | (1.2) | 0.4 |
| Bargain purchase gain | (21.7) | — | (21.7) | — |
| Severance expense | — | 0.6 | — | 0.2 |
| Loss on disposal of assets | 0.6 | — | 0.6 | — |
| **Adjusted EBITDA (non-GAAP)** | $ 74.1 | $ 19.8 | $ 41.5 | $ 13.3 |

**Liquidity, Financing Activities During the Period, and Capital Resources**

We are an early-stage growth company. We are generating cash from sales and deploying our capital reserves to acquire and develop assets capable of producing additional revenues and earnings over both the immediate and near term. Capital reserves are for capital expenditures and improvements in existing facilities, product development and marketing, customer, supplier, investor, industry relations, and working capital.

Current management forecasts and related assumptions support the view that we can adequately manage the operational needs of the business.

*First Lien Term Loan and Chicago Atlantic Term Loan*

On July 3, 2025, the Company entered into a Loan and Security Agreement (the "**First Lien Term Loan**"), effective July 7, 2025, with East West Bank, a California banking corporation ("**East West Bank**"), as Administrative Agent (the "**Administrative Agent**"), and Western Alliance Bank, an Arizona corporation, as co-administrative agent (the "**Co-Admin Agent**").

The First Lien Term Loan provides for an aggregate principal amount of $120 million. The aggregate principal amount of the First Lien Term Loan amortizes in quarterly installments of $3 million. The Company will make such quarterly amortization payments commencing on December 31, 2025 and on the last business day of each quarter thereafter through and including July 3, 2028. Upon maturity of the First Lien Term Loan on July 31, 2028, the remaining outstanding principal amount of the First Lien Term Loan, and all accrued and unpaid interest thereon, will be due and payable in full. The First Lien Term Loan bears interest at the one-month Term Secured Overnight Financing Rate (subject to a 3% floor) plus 4% per annum. The First Lien Term Loan shall, at the Administrative Agent's option, convert to a Prime Rate Loan at the end of the First Lien Term Loan's current one-month interest period if an event of default shall occur and be continuing, at which time an additional 2% of default interest will also be applicable to the First Lien Term Loan.

On July 3, 2025, the Company entered into a secured term loan (the "**Chicago Atlantic Term Loan**"), effective July 7, 2025, with Chicago Atlantic Opportunity Finance, LLC, as a Lender (the "**Lender**"), Chicago Atlantic Admin, LLC, as

Administrative Agent and Collateral Agent ("**2L Agent**") and Chicago Atlantic Credit Advisers, LLC, as Lead Arranger ("**Lead Arranger**").

The Chicago Atlantic Term Loan provides for a principal amount of $33 million to be loaned to the Company along with a $50 million accordion feature, available to support future strategic initiatives, subject to the sole discretion of the Lender and 2L Agent. Amortization payments are due and payable monthly on each payment date in an amount equal to 1% of the loan amount starting November 30, 2025. All unpaid and accrued interest is due and payable on the maturity date of October 2, 2028, with an option to extend for an additional year subject to a 1% extension fee of all loans advanced by lenders under the Chicago Atlantic Term Loan. The Chicago Atlantic Term Loan bears interest at the Prime Rate (subject to a 7.5% floor) plus 5.5% per annum.

The First Lien Term Loan is secured by a perfected first priority security interest in all assets and future assets of the Company. The Chicago Atlantic Term Loan is secured by a second priority security interest in and lien on all existing assets and future assets of the Company.

The proceeds from the First Lien Term Loan and Chicago Atlantic Term Loan were used to retire all of the Company's existing debt obligations, including the debt arising from acquisitions, including the Mergers.

*Long-Term Debt Arising from the purchase of New York Property*

On May 26, 2026, the Company's subsidiary, 256 County Route 117 Perth LLC ("**Perth Property Buyer**"), completed the acquisition of a 389,000 square foot cannabis cultivation and production facility located in Perth, New York (the "**Perth Property**") from IIP-NY 2 LLC, a subsidiary of Innovative Industrial Properties, Inc. ("**IIP**"), for an aggregate purchase price of $90.2 million. The Perth Property was previously leased by VHNY from IIP under a finance lease arrangement. In connection with the acquisition, VHNY's existing lease for the Perth Property was terminated, and the Company derecognized the related right-of-use asset and lease liability.

In connection with the acquisition, Buyer entered into a term loan with IIP in the original principal amount of $49.0 million (the "Seller Note"). The Seller Note bears interest at 15% per annum, payable monthly on an interest-only basis, and has an initial maturity date of May 25, 2027, with two one-year extension options available to the Perth Property Buyer upon payment of a 1.0% extension fee and absence of an uncured event of default. The Seller Note is secured by a first-priority mortgage on the Property and is unconditionally guaranteed by the Company.

Concurrently, Buyer entered into a term loan with Chicago Atlantic Lincoln, LLC in the original principal amount of $41.0 million (the "**Chicago Atlantic Perth Loan**"), bearing interest at prime plus 5.75% per annum and maturing on May 28, 2028. The Chicago Atlantic Perth Loan is secured by a second-priority mortgage on the Perth Property, subordinated to the Seller Note pursuant to an intercreditor agreement, and is guaranteed by Vireo Health. The Chicago Atlantic Perth Loan permits voluntary prepayment subject to a make-whole premium

*Long-Term Debt Arising from Vireo Health of Rocky Mountain*

On February 27, 2026, CO Acquisition was acquired by VHC pursuant to a membership interest purchase agreement. In connection with the closing of this acquisition, the Company became obligated under $28.2 million of notes payable due to Chicago Atlantic Admin, LLC. The outstanding principal balance bears interest at a fixed rate of 20.0% per annum and matures on December 31, 2029. The default rate of interest is equal to the interest rate *plus* 10.0% per annum. All interest accrued until June 3, 2026 is payable in kind. Thereafter, interest will be paid monthly. If the loans are prepaid in an amount equal to $16 million or more or accelerated on or before March 30, 2027, the borrowers must pay a make-whole amount equal to all interest that would have accrued through March 30, 2027.

In connection with the closing of the Asset Sale, the Company became obligated under $44.3 million of notes payable due to Chicago Atlantic Financial Services, LLC. The unpaid principal amounts outstanding bear interest at a rate of 12%,

payable monthly in cash and mature on December 31, 2031. See Note 3 “Business Combinations and Dispositions” for additional information.

*Long-Term debt Arising from the Bridgewell Acquisition*

In connection with the acquisition of Bridgewell, the Company assumed a Loan and Security Agreement (the "Bridgewell Credit Facility") dated April 21, 2026, by and among Agribusiness Holdings Limited Partnership, BWAB Holdings, LLC, and Bridgewell Agribusiness LLC, as borrowers, the lenders party thereto, and Chicago Atlantic Financial Services, LLC, as administrative agent. The Bridgewell Credit Facility provides for term loans in an aggregate principal amount of up to $22.0 million, all of which was funded on the closing date. Borrowings under the Bridgewell Credit Facility bear interest at a fixed cash rate of 12.0% per annum, payable monthly in arrears. The facility matures on August 19, 2026.

In connection with the Bridgewell Acquisition, the Company also assumed five subordinated promissory notes with an aggregate principal balance of approximately $9.1 million, bearing interest at rates ranging from 7% to 15% per annum and maturing on December 31, 2026 or December 31, 2027. These notes are subordinated to the Bridgewell Credit Facility in right of payment.

Unless otherwise specified, all deferred financing costs are treated as a contra-liability, to be netted against the outstanding loan balance and amortized over the remaining life of the loan. As of June 30, 2026 and December 31, 2025, $7.5 million and $5.8 million of deferred financing costs remained unamortized, respectively.

*Convertible Notes*

On July 7, 2025, the Company retired the Convertible Notes, and issued a $10,000,000 convertible note (the “**New Convertible Notes**”) to Chicago Atlantic Opportunity Finance, LLC, also with a second priority interest, that matures on October 2, 2028 with an option to extend for an additional year subject to a 1% extension fee of all Chicago Atlantic loans advanced, has a cash interest rate of the Prime Rate (subject to a 7.5% floor) plus 5.0% per year, and is convertible into that number of the Company’s subordinate voting shares determined by dividing (i) the sum of (A) the result of $10,000,000 minus 50.00% of the aggregate amount of all the New Convertible Notes repaid plus (B) all accrued but unpaid interest on the New Convertible Notes on the date of such conversion by (ii) a conversion price equal to $18.75.

In connection with the acquisition of Bridgewell, the Company issued the Bridgewell Convertible Notes to the Sellers on June 5, 2026, with an aggregate principal amount of approximately $13.7 million. The Bridgewell Notes bear interest at a rate of 3.85% per annum and mature five years from the date of issuance. The Bridgewell Convertible Notes are not convertible prior to the second anniversary of issuance. On or after the second anniversary, the Bridgewell Convertible Notes are convertible, at the option of the holders, into an aggregate estimated 734,551 subordinate voting shares of the Company at a deemed conversion price of $18.60 per share, subject to final adjustment in accordance with the terms of the Securities Purchase Agreement and applicable Canadian Securities Exchange policies.

All deferred financing costs are treated as a contra-liability, to be netted against the outstanding loan balance and amortized over the remaining life of the loan. As of each of June 30, 2026 and December 31, 2025, $0 deferred financing costs remained unamortized, respectively.

*Cash Provided by Operating Activities*

Net cash provided by operating activities was $14.3 million for the six months ended June 30, 2026, an increase of $22.5 million as compared to net cash used in operating activities of $8.2 million for the six months ended June 30, 2025. The increase was primarily driven by higher revenues and operating income resulting from the Company’s expanded operations following the completed acquisition activity.

*Cash Used in Investing Activities*

Net cash used in investing activities was $61.7 million for the six months ended June 30, 2026, compared to net cash provided by investing activities of $32.9 million for the six months ended June 30, 2025, a change of $94.6 million. The shift from cash provided to cash used was primarily attributable to increased purchases of property and equipment, driven by the purchase of a building in New York for approximately $90.2 million.

*Cash Provided by or Used in Financing Activities*

Net cash provided by financing activities was $47.6 million for the six months ended June 30, 2026, a change of $57.8 million as compared to $10.2 million used in financing activities for the six months ended June 30, 2025. The change was principally due to increased proceeds received from long-term debt relative to the comparative period.

**Lease Transactions**

As of June 30, 2026, we are party to lease agreements for the use of buildings across our Cannabis and Non-Cannabis segments. Cannabis segment leases relate to buildings used in the cultivation, production, and/or sale of cannabis products in California, Colorado, Florida, New Mexico, Maryland, Minnesota, New York, Missouri, Nevada, and Utah. Non-Cannabis segment leases relate to warehouse, distribution, and office facilities used in the operations of Hawthorne and Bridgewell.

We lease certain retail dispensary locations within our Cannabis segment and certain cultivation facilities, as well as warehouse and distribution facilities used by our Non-Cannabis segment operations, under agreements with third-party landlords. These agreements require us to make monthly rent payments and fund common area costs, utilities, and maintenance, and in some cases certain other operating costs associated with the facilities. In some cases, we have received tenant improvement funds to assist in the buildout of the spaces to meet our operating needs.

Excluding any contracts under one year in duration, the future minimum lease payments (principal and interest) on all our leases are as follows:

| | Operating Leases June 30, 2026 | Finance Leases June 30, 2026 | Total |
|---|---|---|---|
| 2026 | $ 15.0 | $ 1.0 | $ 16.0 |
| 2027 | 28.0 | 2.0 | 30.0 |
| 2028 | 27.0 | 2.1 | 29.1 |
| 2029 | 23.4 | 2.1 | 25.6 |
| 2030 | 21.8 | 2.2 | 24.0 |
| Thereafter | 153.4 | 24.6 | 178.0 |
| Total minimum lease payments | $ 268.7 | $ 34.0 | $ 302.7 |
| Less discount to net present value | (114.1) | (25.2) | (139.3) |
| Present value of lease liability | $ 154.6 | $ 8.8 | $ 163.4 |

## ADDITIONAL INFORMATION

### Outstanding Share Data

As of August 14, 2026, we had 48,821,377 shares issued and outstanding on an as converted basis, consisting of the following:

*(a) Subordinate Voting Shares*

48,049,577 Subordinate Voting Shares issued and outstanding. The holders of Subordinate Voting Shares are entitled to one vote per share at all shareholder meetings. The Company is authorized to issue an unlimited number of no-par value Subordinate Voting Shares.

*(b) Multiple Voting Shares*

7,718 Multiple Voting Shares issued and outstanding. The holders of Multiple Voting Shares are entitled to one hundred votes per share at all shareholder meetings. Each Multiple Voting Share is exchangeable for one hundred subordinate voting shares. The Company is authorized to issue an unlimited number of Multiple Voting Shares.

### Options, RSUs, and Warrants

As of June 30, 2026, we had 1,091,449 employee stock options outstanding, 2,098,159 RSUs outstanding, and 3,183,465 Subordinate Voting Share compensation warrants outstanding.

### Off-Balance Sheet Arrangements

As of the date of this filing, we do not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on our results of operations or financial condition, including, and without limitation, such considerations as liquidity and capital resources.

### Critical Accounting Policies and Estimates

There have been no material changes to our critical accounting policies and estimates from the information provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in our Annual Report on Form 10-K for the year ended December 31, 2025, as amended.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

Quantitative and qualitative disclosures about market risk have been omitted as permitted under rules applicable to smaller reporting companies.

### Item 4. Controls and Procedures

***Evaluation of Disclosure Controls and Procedures***

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the appropriate time periods, and that such information is accumulated and communicated to the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely discussions regarding required disclosure. We, under the supervision of and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2026, and, based on that evaluation, have concluded that the design and operation of our disclosure controls and procedures were effective as of such date.

***Changes in Internal Control over Financial Reporting***

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II — OTHER INFORMATION

### Item 1. Legal Proceedings

We are involved in various regulatory issues, claims and lawsuits arising in the ordinary course of business, none of which, in the opinion of management, is expected to have a material, adverse effect on our results of operations or financial condition. The information contained in Part I, Item 1. Financial Statements - Note 15, "Commitments and Contingencies," under the heading "Legal Proceedings," is incorporated by reference into this Item 1.

### Item 1A. Risk Factors

**Risks Related to the Recently Completed Transactions and Pending Transactions**

***Our Pending Transactions are subject to numerous conditions, including regulatory approvals and termination rights, and may not be completed on the anticipated terms or timeline, or at all, and our Recently Completed Transactions may not yield the anticipated benefits thereof, any of which could adversely affect the market price of our Shares and our business, financial condition and prospects.***

The Company has recently completed certain acquisitions (collectively, the “Recently Completed Transactions”) and has entered into definitive agreements for additional acquisitions that remain pending (collectively, the “Pending Transactions” and, together with the Recently Completed Transactions, the “Transactions”). Each of our Pending Transactions is subject to a number of conditions precedent, many of which are outside of our control, including, where applicable, receipt of required shareholder approvals of the target entities and consents and approvals from various governmental and regulatory authorities. The regulatory approval process may be lengthy and, for certain of the Pending Transactions, required regulatory approvals have not yet been obtained. There can be no assurance that any required approvals will be obtained on a timely basis, if at all, or that, if obtained, they will not be subject to conditions or undertakings that are unacceptable to us or the applicable counterparty, or that are otherwise unfavorable to the combined business. Failure to obtain required approvals, or the imposition of burdensome conditions, could result in the delay, modification or termination of some or all of the Pending Transactions.

In addition, we and the counterparties to the Pending Transactions each have termination rights under the applicable transaction agreements upon the occurrence of certain events. Accordingly, there can be no assurance that any of the Pending Transactions will be completed on the terms currently contemplated, within the expected timeline, or at all. If any of the Pending Transactions are not completed, we may not realize the anticipated strategic benefits of such transactions, our ability to execute our strategic objectives could be impeded, and the market price of our Shares could be adversely affected. Moreover, the announcement and pendency of the Pending Transactions, and the dedication of management time and other resources to their completion, may adversely affect our relationships with employees, customers, suppliers, regulators and other stakeholders, and could negatively impact our current and future operations, financial condition and prospects. We have incurred, and will continue to incur, significant transaction-related costs and expenses in connection with the Pending Transactions, regardless of whether any or all of them are ultimately completed. If one or more of the Pending Transactions are not completed, the Company will have incurred substantial expenses for which no ultimate benefit will have been received.

***The Company and the assets or businesses acquired in connection with the Recently Completed Transactions and the Pending Transactions may not integrate successfully.***

The Company is in the process of integrating the operations of the businesses and assets acquired in the Recently Completed Transactions and intends to integrate operations of the assets and businesses to be acquired in the Pending Transactions upon their completion. However, operational and strategic decisions and staffing decisions with respect to certain of the Transactions have not yet been finalized. The integration of multiple acquisitions simultaneously presents challenges to management, including the integration of management structures, operations, information technology and accounting systems and personnel of the various assets and businesses (some, all or none of which may ultimately be completed), and special risks, including possible unanticipated liabilities, unanticipated costs, diversion of management's attention and the loss of key employees or customers. These decisions and the integration of the Company's and the relevant counterparties' operations may present challenges to management, including the integration of systems and personnel, and special risks, including possible unanticipated liabilities, unanticipated costs, and the loss of key employees.

The ability to realize the benefits of each, or any of, the Transactions may depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as on the resulting Company's ability to realize the anticipated growth opportunities and synergies, efficiencies and cost savings from integrating Vireo's and the acquired assets and businesses following completion of each, or any of, the Transactions. The performance of the Company after completion of the Transactions could be adversely affected if the Company cannot retain key employees to assist in the ongoing operations. As a result of these factors, it is possible that the cost reductions and synergies expected will not be realized.

The difficulties that management of the Company encounters in the transition and integration processes could have an adverse effect on the revenues, level of expenses and operating results of the Company. The amount and timing of the synergies the parties hope to realize may not occur as planned. As a result of these factors, it is possible that any anticipated benefits from the Transactions will not be realized. These challenges may be exacerbated in those Transactions where there are pending earn-out provisions.

***The counterparties in certain of the Transactions have agreed to indemnify the Company for certain damages arising from certain of the representations, warranties, covenants, and agreements of the counterparties. However, there can be no assurance that these indemnities will be sufficient to make the Company whole for the full amount of such damages, or that such indemnifying parties' ability to satisfy their respective indemnification obligation will not be impaired in the future.***

Pursuant to certain of the Transactions, the counterparties agreed to indemnify the Company against damages incurred or suffered by the Company in connection with certain matters, including any inaccuracy in or breach of the representations and warranties made by, or any breach, violation, or non-fulfillment of any covenant, agreement, or obligation to be performed by the counterparties. However, there can be no assurance that the indemnities set forth in the agreements related to these Transactions will be sufficient to protect the Company against the full amount of such damages incurred by the Company. Moreover, even if the Company ultimately succeeds in recovering any such indemnifiable amounts under the applicable transaction agreements, the Company may be temporarily required to bear these losses. Each of these risks could negatively affect the Company's business, financial condition, results of operations or cash flows.

***There can be no assurance that each or any of the Pending Transactions will not be terminated by the Company or the relevant counterparty in certain circumstances.***

Each of the Company and each counterparty has the right, in certain circumstances, to terminate the governing agreement related to certain of the Pending Transactions. Accordingly, there can be no certainty, nor can we provide any assurance that each or any of the Pending Transactions will not be terminated by either of the Company or the applicable counterparty prior to the completion of the applicable Pending Transaction. Any termination will result in the failure to realize the expected benefits of the applicable Pending Transaction in respect of the operations and business of the Company.

***The uncertainty surrounding the Pending Transactions could negatively impact Vireo's current and future operations, financial condition and prospects.***

As the Pending Transactions are dependent upon receipt, among other things, of the required regulatory approvals and satisfaction of certain other conditions, each transaction's completion is uncertain. If each or any of the Pending Transactions are not completed for any reason, there are risks that the announcement of the Pending Transactions and the dedication of Vireo's resources to the completion thereof could have a negative impact on its relationships with its stakeholders and could negatively impact current and future operations, financial condition and prospects of Vireo. In addition, Vireo has incurred, and will continue to incur, significant transaction expenses in connection with the Pending Transactions, regardless of whether each or any of the Pending Transactions are completed.

***It may be challenging for the Company after to service the additional indebtedness incurred or assumed in connection with the Transactions.***

In connection with the Recently Completed Transactions, the Company has assumed or become liable for certain indebtedness of the acquired businesses. Upon consummation of the Pending Transactions, the Company may assume or become liable for additional indebtedness. In order to service such indebtedness, the Company may be required to draw down or incur additional indebtedness under its credit facilities or other sources of debt financing. The additional indebtedness will increase the interest payable by the Company from time to time until such amounts are repaid, which will represent an increase in the Company's cost and a potential reduction in its income. In addition, the Company may need to find additional sources of financing to repay this amount when it becomes due, which could have an adverse effect on the Company.

***The Company's shareholders will have a reduced ownership and voting interest in, and will exercise less influence over the management of, the Company following the completion of the Transactions as compared to their ownership and voting interests prior to the Transactions.***

As a result of the Recently Completed Transactions and, if consummated, the Pending Transactions, the current shareholders of Vireo own or will own a smaller percentage of the Company than their ownership prior to the Transactions. Thus, our existing shareholders bear the risk of the Transactions and the resulting share issuances diluting their shareholdings, and reducing their respective interests in the Company.

***We have issued and intend to issue additional subordinate voting shares as consideration in certain of the Transactions, which may further dilute your interest in our shares and affect the trading price of our subordinate voting shares.***

We have issued and intend to issue additional subordinate voting shares as consideration in certain of the Transactions, which may further dilute your interest in our share capital or result in a decrease in the market price of our subordinate voting shares. Some of the operative agreements for the Transactions also provide that additional subordinate voting shares may be issuable in connection with each of such Transactions through various earn-out mechanisms set forth in the operative agreements, and the subordinate voting shares issuable pursuant to such earn-out mechanisms may further dilute the interests of current shareholders in our share capital or result in a decrease in the market price of our subordinate voting shares.

***Our shareholders may not realize a benefit from the Transactions commensurate with the ownership dilution they have experienced or will experience in connection with the Transactions.***

If the Company is unable to realize the full strategic and financial benefits currently anticipated from the Transactions, our shareholders will have experienced substantial dilution of their ownership interests without receiving any commensurate benefit, or only receiving part of the commensurate benefit to the extent the combined company is able to realize only part of the strategic and financial benefits currently anticipated from the Transactions.

***If the Pending Transactions do not close, the Company will not benefit from the expenses incurred in their pursuit.***

There is no assurance that any of the Pending Transactions will be completed. If one or more of the Pending Transactions are not completed, the Company will have incurred substantial expenses for which no ultimate benefit will have been received. The Company has incurred out-of-pocket expenses in connection with the Pending Transactions, much of which will be incurred even if one or more of the Pending Transactions are not completed.

***The Company's ability to use net operating loss carryforwards and other tax attributes may be limited as a result of the Transactions.***

The Company has incurred taxable losses during its history. To the extent that the Company continues to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire. As of December 31, 2025, the Company had U.S. federal net operating loss ("**NOL**") carryforwards and state NOL carryforwards of $19,200,000 and $27,000,000, respectively. Under current law, U.S. federal NOL carryforwards generated in taxable periods beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such NOL carryforwards is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to federal law. In addition, under Sections 382 and 383 of the Code, federal NOL carryforwards and other tax attributes may become subject to an annual limitation in the event of certain cumulative changes in ownership. An "ownership change" pursuant to Section 382 of the Code generally occurs if one or more stockholders or groups of stockholders who own at least 5% of a company's stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. The Company's ability to utilize its NOL carryforwards and other tax attributes to offset future taxable income or tax liabilities may be limited as a result of ownership changes in connection with the Recently Completed Transactions, the Pending Transactions, or other transactions. Similar rules may apply under state tax laws. If the Company earns taxable income, such limitations could result in increased future income tax liability to the Company, and the Company's future cash flows could be adversely affected.

***The Company's expansion into new geographic markets through the Transactions subjects it to additional regulatory, operational and competitive risks.***

The Transactions have expanded and, if the Pending Transactions are completed, will further expand, the Company's operations into new geographic markets with distinct and evolving regulatory frameworks. The cannabis industry is subject to state-specific licensing, operating, and compliance requirements, and the regulatory environment in each new market in which the Company operates may differ significantly from the markets in which the Company has historically operated. The Company may face challenges in understanding and complying with the laws and regulations applicable to its operations in these new markets, including obtaining and maintaining required licenses and permits. There can be no assurance that the Company will be able to maintain compliance with all applicable regulatory requirements in its expanded geographic footprint, and any failure to do so could result in fines, penalties, suspension or revocation of licenses, or other adverse consequences. In addition, the Company may face increased competition in new markets from established local operators with greater familiarity with local market conditions, existing customer relationships, and established supply chains. These factors could adversely affect the Company's ability to realize the anticipated benefits of its expansion.

***The Company may face challenges in managing its expanded operations and organizational complexity resulting from the Transactions.***

As a result of the Recently Completed Transactions and, if consummated, the Pending Transactions, the Company's operations have grown and will continue to grow substantially in size, scope and complexity. Managing a significantly larger and more geographically dispersed organization will require enhanced operational infrastructure, internal controls, financial reporting capabilities, and management resources. There can be no assurance that the Company's existing management team, systems and infrastructure will be adequate to manage the expanded business effectively. Failure to successfully manage this growth could result in operational inefficiencies, regulatory compliance failures, loss of key personnel, and an inability to realize the anticipated benefits of the Transactions. In addition, the Company's corporate governance, risk management, and compliance functions will need to adapt to the demands of a larger and more complex

organization, and any delays or deficiencies in doing so could adversely affect the Company's business, financial condition and results of operations.

***The Company may be exposed to unknown or contingent liabilities arising from the Recently Completed Transactions.***

The acquired businesses may have unknown or contingent liabilities, including liabilities arising from non-compliance with applicable laws and regulations, pending or threatened litigation, tax exposures, environmental liabilities, contractual disputes, or other matters. Any such liabilities, individually or in the aggregate, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. While certain of the transaction agreements for the Recently Completed Transactions contain indemnification provisions and other protections in favor of the Company, such protections may be subject to limitations and there can be no assurance that such protections will be sufficient to cover the full amount of any liabilities that may arise.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On June 18, 2026, the Company issued 37,035 SVS in reliance upon the exemptions from registration under the Securities Act provided by Section 4(a)(2) of the Securities Act as a transaction not involving a public offering and Rule 506 promulgated thereunder.

Except as noted above or as previously reported, there were no unregistered sales of equity securities or repurchase of equity securities that occurred during the three months ended June 30, 2026.

## Item 5. Other Information

### Insider Trading Arrangements

During the three months ended June 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted, modified or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K promulgated under the Securities Act).

## Item 6. Exhibits

| Exhibit No. | Description of Exhibit |
|---|---|
| 2.1+ | Amendment to Agreement and Plan of Merger dated April 1, 2026 by and among Vireo Growth Inc., Simple Merger Sub Inc., and Eaze Inc. (incorporated by reference to Exhibit 2.2 to our Current Report on Form 8-K filed April 6, 2026) |
| 2.2+* | Securities Purchase Agreement, dated April 8, 2026, by and among Vireo Growth Inc., Prolific Supply LLC, the Scotts Miracle-Gro Company, and SMG Growing Media LLC (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed April 14, 2026) |
| 2.3+* | Arrangement Agreement, dated April 29, 2026, by and between Vireo Growth Inc. and FLUENT Corp. (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed May 5, 2026) |
| 2.4+* | Arrangement Agreement, dated June 14, 2026, by and between Vireo Growth Inc. and C21 Investments Inc. (including the Plan of Arrangement attached as Schedule A thereto) (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed June 18, 2026) |

| | |
|---|---|
| 2.5 | Arrangement Agreement Amendment dated June 8, 2026 between Vireo Growth Inc. and FLUENT Corp. |
| 3.1 | Articles of Vireo Growth Inc. dated June 25, 2024 (incorporated by reference to Exhibit 3.1 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2023). |
| 3.2 | Certificate of Name Change, dated June 9, 2021 (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed June 9, 2021). |
| 3.3 | Notice of Articles, dated June 9, 2021 (incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed June 9, 2021). |
| 3.4 | Notice of Alteration, Notice of Articles and Certificate of Name Change dated June 25, 2024 (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed July 1, 2024). |
| 4.1* | Warrant Agreement, dated April 8, 2026, by and between Vireo Growth Inc. and Good Dog Holdings LLC (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed April 14, 2026). |
| 4.2 | Form of Subordinated Convertible Promissory Note, by Vireo Growth Inc. in favor of the sellers party to that certain Securities Purchase Agreement, dated as of June 5, 2026, by and among Vireo Growth Inc., Agribusiness Holdings Limited Partnership, BWAB Holdings LLC, Bridgewell Agribusiness LLC and the other parties named therein (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed June 11, 2026) |
| 10.1 | Second Amendment to Employment Agreement, effective as of April 1, 2026, by and between the Company and John Mazarakis (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed April 6, 2026) |
| 10.2 | Investor Rights Agreement, dated April 8, 2026, by and between Vireo Growth Inc. and Good Dog Holdings LLC (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed April 14, 2026) |
| 10.3 | Premises Purchase Agreement by and between IIP-NY 2 LLC and 256 County Route 117 Perth LLC |
| 10.4 | Promissory Note by 256 County Route 117 Perth LLC in favor of IIP-NY 2 LLC |
| 10.5 | Mortgage, Assignment of Leases and Rents, Security Agreement, Financing Statement and Fixture Filing by 256 County Route 117 Perth LLC in favor of IIP-NY 2 LLC |
| 10.6 | Subordinated Promissory Note by 256 County Route 117 Perth LLC in favor of Chicago Atlantic Lincoln, LLC |
| 10.7 | Mortgage, Assignment of Leases and Rents, Security Agreement, Financing Statement and Fixture Filing by 256 County Route 117 Perth LLC in favor of Chicago Atlantic Financial Services, LLC |
| 10.8* | Securities Purchase Agreement (including Investor Rights Agreement), dated as of June 5, 2026, is entered into by and among Vireo Growth Inc., Agribusiness Holdings Limited Partnership, BWAB Holdings LLC, Bridgewell Agribusiness LLC and the other parties named therein (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed June 11, 2026) |
| 10.9+ | Second Amendment to Asset Purchase Agreement dated May 8, 2026 by and among Vireo Health, Inc., Vireo Growth Inc., the entities set forth on the "Company" signature page attached thereto, PharmaCann Inc., and Argent Institutional Trust Company, as collateral agent under the Indenture (incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K filed August 13, 2026) |
| 31.1 | Rule 13a-14(a)/15d-14(a) certification of Chief Executive Officer |

| | |
|---|---|
| 31.2 | Rule 13a-14(a)/15d-14(a) certification of Chief Financial Officer |
| 32.1 | Section 1350 certification, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101 | Includes the following financial and related information from Vireo Growth's Quarterly Report on Form 10-Q as of and for the quarter ended June 30, 2026, formatted in Inline Extensible Business Reporting Language (iXBRL): (1) the Consolidated Balance Sheets, (2) the Consolidated Statements of Income, (3) the Consolidated Statements of Comprehensive Income, (4) the Consolidated Statements of Changes in Stockholders' Equity, (5) the Consolidated Statements of Cash Flows, and (6) Notes to Consolidated Financial Statements. |
| 104 | The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL. |

* Certain confidential information has been excluded from this exhibit because it is both (i) not material and (ii) the type of information that the registrant treats as private or confidential.

\+ Pursuant to Item 601(a)(5) of Regulation S-K, schedules have been omitted and will be furnished on a supplemental basis to the Securities and Exchange Commission upon request.

**SIGNATURES**

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

**VIREO GROWTH INC.**
**(Registrant)**

Date: August 14, 2026

By: */s/ John Mazarakis*
Name: John Mazarakis
Title: Chief Executive Officer and Co-Executive Chairman
(principal executive officer)

Date: August 14, 2026

By: */s/ Tyson Macdonald*
Name: Tyson Macdonald
Title: Chief Financial Officer
(principal financial officer)

Date: August 14, 2026

By: */s/ Joseph Duxbury*
Name: Joseph Duxbury
Title: Chief Accounting Officer
(principal accounting officer)

**EXHIBIT 2.5**

# ARRANGEMENT AGREEMENT AMENDMENT

**THIS AMENDMENT** (this "**Amendment**") is made as of June 8, 2026.

**BETWEEN**:

**VIREO GROWTH INC.**, a corporation incorporated under the laws of the Province of British Columbia

(the "**Purchaser**")

**AND:**

**FLUENT CORP.**, a corporation incorporated under the laws of the Province of Ontario

(the "**Company**", and together with the Purchaser, the "**Parties**").

**WHEREAS:**

A. On April 29, 2026, the Parties entered into an arrangement agreement (the "**Arrangement Agreement**"), pursuant to which, and subject to the conditions set out in the Plan of Arrangement attached thereto (the "**Plan of Arrangement**"), the Purchaser agreed to acquire all of the issued and outstanding shares of the Company under a court approved arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the "**Arrangement**");

B. On May 29, 2026, the Purchaser's shareholders authorized a resolution to permit the Purchaser Board to proceed with a share consolidation of the Purchaser Shares on the basis of not less than 20-for-1 and not more than 40-for-1 with the exact ratio of the share consolidation to be determined by the Purchaser Board and on June 1, 2026, the Purchaser Board approved the share consolidation ratio of 30-for-1, such share consolidation of the Purchaser Shares effective at market open on June 5, 2026 (the "**Consolidation**");

C. As a result of the Consolidation and in accordance with Section 2.16 of the Arrangement Agreement, the Consideration Shares to be paid per Company Common Share has been adjusted to provide to Company Shareholders the same economic effect as contemplated by the Arrangement Agreement and the Plan of Arrangement prior to the Consolidation;

D. The Company and the Purchaser wish to enter into this Amendment to amend certain provisions of the Arrangement Agreement and the Plan of Arrangement, in accordance with Section 8.8 of the Arrangement Agreement and Section 6.1 of the Plan of Arrangement, as contemplated herein; and

E. All capitalized terms used in this Amendment but not defined herein shall have the meaning attributed to such terms in the Arrangement Agreement.

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby confirm, acknowledge and agree as follows:

**Amendments to the Arrangement Agreement**

1. The definition of "Consideration Shares" in Section 1.1 of the Arrangement Agreement is hereby deleted in its entirety, and replaced with the following:

   "**Consideration Shares**" means the Purchaser Subordinate Voting Shares to be issued to the Company Shareholders (other than Dissenting Shareholders) pursuant to the Arrangement, being 0.002351197 of a Purchaser Subordinate Voting Share for each Company Common Share (after conversion of all Company Proportionate Voting Shares and Company Non-Voting Shares into Company Common Shares pursuant to the Arrangement);

2. The definition of "Consideration Shares" in Section 1.1 of the Plan of Arrangement is hereby deleted in its entirety, and replaced with the following:

   "**Consideration Shares**" means the Purchaser Subordinate Voting Shares to be issued to the Company Shareholders (other than Dissenting Shareholders) pursuant to the Arrangement, being 0.002351197 of a Purchaser Subordinate Voting Share for each Company Common Share (after conversion of all Company Proportionate Voting Shares and Company Non-Voting Shares into Company Common Shares pursuant to the Arrangement);

3. Section 4.3 (No Fractional Purchaser Subordinate Voting Shares) of the Plan of Arrangement is hereby deleted in its entirety, and replaced with the following In no event shall any holder of Company Shares be entitled to a fractional Purchaser Subordinate Voting Share. Where the aggregate number of Consideration Shares to be issued to a Company Shareholder under this Plan of Arrangement would result in a fraction of a Purchaser Subordinate Voting Share being issuable, the number of Purchaser Subordinate Voting Shares to be received by such Company Shareholder shall be rounded down to the nearest whole Purchaser Subordinate Voting Share without any additional compensation.

**General Matters**

4. Except for the amendments contemplated in this Amendment, no other amendments to the Arrangement Agreement or the Plan of Arrangement will be made by the Parties pursuant to this Amendment, and the Arrangement Agreement and the Plan of Arrangement shall otherwise remain in full force and effect on identical terms and conditions.

5. This Amendment may be executed and delivered in any number of counterparts (including by electronic transmission), each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

6. This Amendment shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein. Each of the Parties hereby irrevocably attorns to the exclusive jurisdiction of the courts of the Province

of Ontario in respect of all matters arising under and in relation to this Amendment and waives, to the fullest extent possible, the defence of an inconvenient forum or any similar defence to the maintenance of proceedings in such courts.

7. This Amendment is binding upon and will enure to the benefit of each Party and its respective successors and permitted assigns.

***[Signature page follows]***

**IN WITNESS WHEREOF** the Parties have executed this Amendment as of the date first written above.

**VIREO GROWTH INC.**

By: */s/ Tyson MacDonald*
Name: Tyson MacDonald
Title: Chief Financial Officer

**FLUENT CORP.**

By: */s/ David Vautrin*
Name: David Vautrin
Title: Interim Chief Executive Officer

**Exhibit 10.3**

**PREMISES PURCHASE AGREEMENT**

THIS PREMISES PURCHASE AGREEMENT (this "**Agreement**") is made and entered into as of the 26th day of May, 2026 (the "**Effective Date**"), by and between **IIP-NY 2 LLC**, a Delaware limited liability company ("**Seller**"), and **256 COUNTY ROUTE 117 PERTH LLC**, a Delaware limited liability company ("**Buyer**").

RECITALS

A. WHEREAS, Seller is the owner of the Property (defined below), which consists principally of a cannabis cultivation and processing facility, located in the Town of Perth, Fulton County, State of New York, having a street address of 256 County Route 117, Perth, New York.

B. Buyer desires to purchase the Property from Seller, and Seller desires to sell the Property to Buyer, on the terms and conditions hereinafter documented.

NOW, THEREFORE, in consideration of the mutual undertakings of the parties hereto, it is hereby agreed as follows:

1. Purchase and Sale. Seller shall sell to Buyer, and Buyer shall purchase from Seller, the Property on the terms and conditions hereinafter set forth.

1.1 Property. As used herein, the "**Property**" means, collectively, all right, title and interest of Seller in and to (a) that certain land described in **Exhibit "A"**, together with all easements, rights-of-way, and appurtenances benefiting such land (the "**Land**"), (b) all improvements, structures and fixtures now or on the Closing Date (as hereinafter defined) located upon the Land (the "**Improvements**"), (c) all tangible personal property now or on the Closing Date located on or used in connection with the Land and Improvements (the "**Personal Property**"), (d) all Service Agreements described in **Exhibit "B"** (the "**Service Agreements**"), if any, (e) that certain Lease Agreement dated October 23, 2017 with Vireo Health of New York, LLC, a New York limited liability company, as tenant ("**Tenant**"), and Seller, as landlord (as amended and assigned, the "**Lease Agreement**"), and (f) to the extent assignable, all governmental permits, licenses and approvals, warranties and guarantees that Seller has received in connection with any work or services performed with respect to, or equipment installed in, the Improvements or the Land, and other intangible personal property related to the Land, Improvements or Personal Property (the "**Intangible Property**").

2. Purchase Price. The purchase price (the "**Purchase Price**") shall be Eighty-Eight Million Five Hundred Thousand and No/100 Dollars ($88,500,000.00).

3. Payment of Purchase Price. The Purchase Price shall be paid to Seller by Buyer as follows:

3.1 Closing Payment. The Purchase Price, as adjusted by the Seller Loan (defined below) and by the prorations and credits specified herein, shall be paid to Settlement Corp, at its offices at 5301 Wisconsin Avenue, N.W. #310, Washington DC 20015, Attn: Todd Deckelbaum, phone: [***]; email: [***] (which company, in its capacity as escrow holder hereunder, is called "**Escrow Agent**") by wire transfer of immediately available federal funds (through the escrow described in Section 5) on the Closing Date (the amount to be paid under this Section 3.1 being herein called the "**Closing Payment**").

3.2 Seller Financing. Seller shall provide to Buyer at Closing, Seller financing (the "**Seller Loan**") pursuant to the following terms and conditions:

3.2.1 The Seller Loan shall be in a principal amount equal to the Purchase Price, as adjusted by the prorations and credits specified herein, less Thirty Million Dollars ($30,000,000.00) or such other amount as may be agreed upon in writing by Buyer and Seller.

3.2.2 The Seller Loan shall bear interest at a rate of fifteen percent (15%) per annum on the unpaid balance, and Buyer shall pay monthly payments of the accrued interest until the maturity date.

3.2.3 The maturity date of the Seller Loan shall be one (1) year after the Closing Date; provided, however, that (i) the Seller Loan shall be prepayable in whole or in part at any time without penalty, and (ii) so long as there is no default beyond applicable cure periods under the Loan Documents (as hereinafter defined), Buyer shall have two (2) options to extend the maturity date of the Seller Loan for a period of one (1) year each on the same terms, subject to and contingent upon Buyer delivering to Seller an extension fee equal to one percent (1%) of the then-unpaid principal balance of the Seller Loan.

3.2.4 Buyer shall execute a promissory note in favor of Seller (the "**Note**") in the form attached hereto as **Exhibit "H"**, and the Note shall be secured by Buyer granting to Seller a first priority lien in the Property, which shall be perfected by recording a mortgage, assignment of rents and security agreement (the "**Mortgage**") in the form attached hereto as **Exhibit "I"**, against the Property and filing any appropriate financing statements. The Note, Mortgage, the Guaranty (defined below), and any other customary loan and ancillary documents executed in connection therewith are collectively referred to herein as the "**Loan Documents**".

3.2.5 Buyer's obligations under the Note, Mortgage and any other Loan Documents shall be unconditionally guaranteed by Vireo Growth Inc., a British Columbia, Canadian corporation, pursuant to a separate guaranty (the "**Guaranty**") in the form attached hereto as **Exhibit "J"**.

3.2.6 Buyer's obligations under the Loan Documents shall be cross-defaulted with any Additional Lease Agreements (as defined in the Lease Agreement) between Seller, Tenant or their respective affiliates; provided, however, that any cross-default shall be subject to applicable notice and cure periods under such Additional Lease Agreements.

3.2.7 Seller's Loan Documents shall permit Buyer to grant a second priority mortgage and security interest in the Property to Buyer's lender providing any Outside Financing (defined below) (the "**Second Lien Mortgage**"), subject to the lender providing such Outside Financing entering into a commercially reasonable form of intercreditor agreement with Seller pursuant to which such lender agrees that its claim on the Property is secondary to Seller's claim.

3.2.8 As a condition to Seller's obligation to provide the Seller Loan, the Title Company shall be irrevocably and unconditionally committed to issuing to Seller at Closing an extended coverage lender's title insurance policy ("**Lender's Title Policy**") with coverage in the principal amount of the Seller Loan and including the Title Endorsements required by Seller, indicating that Seller has a vested first priority lien on the Property pursuant to the Mortgage and in form and substance as otherwise reasonably approved by Seller.

4. Conditions Precedent. The obligation of Buyer to purchase, and Seller to sell the Property as contemplated by this Agreement is subject to satisfaction of each of the following respective conditions precedent (any of which may be waived prior to Closing only in writing and only by the party in whose favor such condition exists) on or before the applicable date specified for satisfaction of the applicable condition. If any of such conditions is not fulfilled (or so waived in writing) pursuant to the terms of this Agreement, then the party in whose favor such condition exists may terminate this Agreement and, in connection with any such termination made in accordance with this Section 4, Seller and Buyer shall be released from further obligation or liability hereunder (except for those obligations and liabilities which, pursuant to the terms of this Agreement, survive such termination and without releasing any party for a breach or default occurring prior to such termination).

4.1 Title Matters.

4.1.1 Title Commitment. Buyer shall have the right, at Buyer's sole cost and expense, to obtain a title commitment covering the Property ("**Title Commitment**") from Stewart Title Guaranty Company (which company, in its capacity as title insurer hereunder, is herein called the "**Title Company**"). In addition, Buyer shall have the right, at Buyer's sole cost and expense, to obtain a current ALTA/ACSM survey of the Property ("**Survey**"). Seller shall reasonably cooperate with Buyer's surveyor in connection with the preparation of the Survey, including by assisting with providing access to the Property (to the extent not already available to Buyer), subject to the rights of Tenant under the Lease Agreement, and executing such authorization letters as may be reasonably required by Buyer's surveyor, provided that Seller shall not be obligated to incur any cost, expense, or liability in connection therewith. If Buyer shall fail to deliver the Termination Notice (defined below) on or before the end of the Due Diligence Period (defined below), then Buyer shall be deemed to have approved the typed exceptions to title shown on Schedule "B" of the Title Commitment and the matters disclosed on the Survey. In the event any updated Title Commitment reflects any new or additional exceptions to title or survey matters, then Buyer shall notify Seller and the removal of said new exception or Buyer's approval of such new matter shown on or before the Closing shall be a condition precedent to Buyer's obligation to purchase the Property. Unless Buyer gives written notice that it disapproves any such additional exceptions to title or survey matters, stating the exceptions so disapproved, on or before the later to occur of the expiration of the Due Diligence Period or five (5) business days after receipt of written notice thereof (but not later than the Closing Date), Buyer shall be deemed to have approved said additional exceptions or survey matters. If, for any reason, on or before the Closing Date, Seller does not cause any exceptions to title or survey matters which Buyer disapproves (to the extent Buyer is permitted hereunder to so disapprove) to be removed at no cost or expense to Buyer (Seller having the right but not the obligation to do so), then a condition to Buyer's obligation to close shall not have been satisfied and the obligation of Buyer to buy the Property as herein provided shall terminate (and no party hereto shall have any further obligations in connection herewith except under those provisions that expressly survive a termination of this Agreement). Notwithstanding the foregoing provisions of this Section 4.1.1, Seller shall be obligated to cause the release of any "**Seller Encumbrances**" (which, as used herein, means (i) any monetary liens created or resulting directly or indirectly by Seller's actions or omissions (including, without limitation, mortgages and deeds of trust), and (ii) any lis pendens or judgment liens arising as a result of Seller's actions, that encumber the Land and Improvements, other than mechanics liens arising from the failure of Buyer to pay its bills or as a result of any default by Tenant under the Lease Agreement). Seller may use the Purchase Price to effectuate such release concurrently with the Closing. For the avoidance of doubt, "Seller Encumbrances" shall not include and Seller shall have no obligation to cause the release of the following (collectively, "**Permitted Liens**"): (x) any lien for current real property taxes and assessments not yet due and payable and for delinquent taxes as a result of Tenant's default under the Lease Agreement); (y) any lien or encumbrances granted or entered into by or directly resulting from the acts or omissions of Tenant or Buyer or their respective affiliates, employees or agents; or (z) any lien or encumbrance resulting from a default by Tenant under the Lease Agreement or otherwise expressly consented to and approved by Tenant or Buyer or that Tenant requested Seller enter into or grant with respect to the Property. Buyer shall not have any right to disapprove of, object to or otherwise terminate this Agreement as a result of any Permitted Lien.

4.1.2 Title Contingency. A condition precedent to Buyer's obligation to purchase the Property shall be the irrevocable and unconditional written agreement of Title Company to record the "Deed" (defined below) on the Closing Date and to issue to Buyer effective as of the date and time the deed is recorded, an ALTA 2021 Form extended coverage owner's title insurance policy ("**Owner's Policy**"), or equivalent form acceptable to Buyer, with coverage in the amount of the Purchase Price and dated as of the date and time the Deed is recorded, indicating title to the Land (including any easements described herein for the benefit of the Property) and Improvements to be vested of record in Buyer, subject solely to the "Permitted Exceptions" (as defined below), and including the "Title Endorsements" (as defined below). As used herein:

"**Permitted Exceptions**" means the following: (1) the lien of any real estate taxes and assessments for the "Current Tax Year" (as defined below) and subsequent periods; (2) such other matters set forth in the Title Commitment or Survey which are approved or deemed approved by Buyer during the Due Diligence Period; and (3) at Closing, the lien of the Mortgage and the Second Lien Mortgage (subject to the parties entering into an intercreditor agreement per the terms herein and in the Seller's Loan Documents).

"**Title Endorsements**" means the endorsements included in any title commitment or proforma or specimen policy issued by the Title Company which Buyer may request include the following endorsements: (a) ALTA 3.1 Zoning; (b) ALTA 8.2 Commercial EPL; (c) ALTA 9.2 CCRs; (d) ALTA 9.9 Private Rights; (e) ALTA 17 Access and Entry; (f) ALTA 17.2 Utility Access; (g) ALTA 18.3 Tax Parcel with PIN; (h) ALTA 19.1 Contiguity; (i) ALTA 22 Location; (j) ALTA 25 Same As Survey; (k) ALTA 26 Subdivision; (l) ALTA 28.1 Encroachments – Boundaries and Easements; (m) Water Rights; (n) Mineral Rights; (o) Deletion of Arbitration; and (p) Fairway.

4.2 Due Diligence Reviews. Except for title and survey matters (which shall be governed by the provisions of Section 4.1 above) and subject to the limitations herein, Buyer shall have until Closing (the period beginning on the date hereof and ending on such date being herein called the "**Due Diligence Period**") within which to perform and complete all of Buyer's noninvasive due diligence examinations, reviews and inspections of all matters pertaining to the Property, including all Service Contracts, if any, all physical, environmental (including obtaining a current Phase I Environmental Site Assessment and subject to Seller's approval, a current Phase II Environmental Site Assessment (which approval shall not be unreasonably withheld if recommended by the Phase I) prepared by a third-party environmental consultant), zoning (including obtaining a current zoning report of the Property prepared by a third party zoning consultant) and compliance matters and conditions respecting the Property, provided Seller shall have the right to have its own personnel and consultants present during any such inspections. During the Due Diligence Period, subject to the limitations set forth herein and the Tenant's rights under the Lease Agreement, Seller shall provide Buyer with reasonable access to the Property and its files relating to the Property upon reasonable advance notice and shall also provide to Buyer copies of such Service Contracts and other contracts as Buyer shall reasonably request, all upon reasonable advance notice. Moreover, Seller shall reasonably cooperate (a) with Buyer's third party zoning consultant in connection with the preparation of any zoning report, and (b) with Buyer's third party environmental consultant in connection with the preparation of any environmental report; provided that in either case, Seller shall not be obligated to incur any cost, expense, or liability in connection therewith. During any inspections on the Property conducted by or on behalf of Buyer pursuant to this Agreement, Buyer and/or its agents and consultants entering upon and performing such inspections of the Property shall maintain public liability insurance policies having coverage limits of no less than One Million Dollars ($1,000,000.00) per occurrence and Two Million Dollars ($2,000,000.00) annual aggregate with Seller named as an additional insured. Without Seller's prior consent, Buyer shall not conduct any invasive testing at the Property. If any mechanic's or materialman's liens or claim of lien or any other lien, claim, judgment or other encumbrance shall be filed against the Property or any part thereof or against Seller's interest therein as a result of any labor performed or materials or services furnished to or on behalf of Buyer, Buyer shall, promptly after receipt of notice of the filing thereof, cause the same to be vacated and discharged of record, by payment, bond or otherwise, all of which shall be at Buyer's sole cost and expense. Buyer shall promptly repair and restore the Property in the event that any inspection or test performed by Buyer requires or results in any damage to the Property and shall leave the Property in substantially the condition it existed prior to such damage; provided, however, that Buyer shall have no obligation to repair, restore, or remediate any pre-existing condition of the Property that is merely discovered by Buyer during such inspection or testing. For the avoidance of doubt, the foregoing shall not be deemed a waiver or modification of any of the Tenant's obligations under the Lease.

4.2.1 Indemnity; Review Requirements. Buyer will indemnify, defend, and hold Seller and its affiliates and the Property harmless from and against any mechanics' liens, personal injury (including death) or physical property damage (or any liability, damage, loss, cost or expense resulting therefrom) caused by Buyer or its employees, agents or contractors in the conduct of its due diligence examinations, reviews and inspections (other than that arising from the discovery of preexisting conditions). The foregoing obligation shall survive any termination of this Agreement. In the event of any termination hereunder (other than by reason of Seller's default), Buyer shall return all documents and other materials furnished by Seller hereunder and at Seller's written request and upon reimbursement of Buyer's actual, documented costs incurred in connection therewith, Buyer shall promptly deliver to Seller true, accurate and complete copies of any written reports relating to the Property prepared for or on behalf of Buyer by any third party. Prior to Closing, Buyer shall maintain the confidentiality of all information or data received from Seller in connection with any of the inspections, reviews or examinations; provided, however, that (x) such information or data may be disclosed by Buyer to the extent required by law and to Title Company, surveyors, and Buyer's attorneys, accountants, representatives, consultants, agents and actual and prospective lenders and all investors provided Buyer instructs each such person or entity to maintain such confidentiality, and (y) the foregoing confidentiality restriction shall not apply to any information or data that is available to Buyer from any other source (other than by reason of a breach by Buyer of such confidentiality restriction).

4.2.2 Termination Right. At any time on or before the last day of the Due Diligence Period, Buyer may, in its absolute and sole discretion, for any reason or no reason, give written notice (the "**Termination Notice**") to Seller electing to terminate this Agreement, whereupon a condition to Buyer's obligation to close shall not be satisfied and this Agreement, and the obligations of the parties hereunder, shall terminate (in which event neither party shall have any further obligations hereunder other than those obligations that expressly survive a termination of this Agreement). If Buyer fails to deliver the Termination Notice to Seller prior to the expiration of the Due Diligence Period, then Buyer shall have no further right to terminate this Agreement pursuant to this Section 4.2.2. Notwithstanding any provision herein to the contrary, in the event that Buyer terminates this Agreement (other than as a result of a Seller default), then Seller shall be entitled to receive reimbursement from Buyer for Seller's Loan Costs (defined below).

4.3 Buyer's Additional Financing. Buyer shall have the right, but not the obligation, to obtain additional third-party financing (the "**Outside Financing**") to fund all or a portion of the Closing Payment; provided, however, that Buyer's obligation to close hereunder is not conditioned upon Buyer obtaining any Outside Financing and such Outside Financing shall be subordinate in all respects to the Loan Documents and if required by Seller, shall be subject to Seller and the lender of such Outside Financing entering into a commercially reasonable form of intercreditor agreement pursuant to which such lender agrees that its claim on the Property is secondary to Seller's claim.

4.4 Performance by Seller. The performance and observance, in all material respects, by Seller of all covenants and agreements of this Agreement to be performed or observed by Seller prior to or on the Closing Date shall be a condition precedent to Buyer's obligation to purchase the Property. Without limitation on the foregoing, in the event that the Seller Closing Certificate (as hereinafter defined) shall disclose any material exception to the representations and warranties of Seller contained in this Agreement or any certificate delivered by Seller in connection herewith which are not otherwise permitted or contemplated by the terms of this Agreement, then Buyer shall have the right to terminate this Agreement upon prior written notice to Seller.

4.5 Performance by Buyer. The performance and observance, in all material respects, by Buyer of all covenants and agreements of this Agreement to be performed or observed by Buyer prior to or on the Closing Date shall be a condition precedent to Seller's obligation to sell the Property (except that Buyer's delivery of the Closing Payment shall not be a condition to Seller's obligation to execute and deliver the documents described in Sections 5.1 and 5.2 so long as Buyer is ready, willing and able to deliver the Closing Payment upon satisfaction of the conditions to its obligations to close). Without limitation on the foregoing, in the event that the Buyer Closing Certificate (as hereinafter defined) shall disclose any material exception to the representations and warranties of Buyer contained in this Agreement or any certificate delivered by Buyer in connection herewith which are not permitted or contemplated by the terms of this Agreement, then Seller shall have the right to terminate this Agreement upon prior written notice to Buyer.

4.6 **AS-IS; WHERE IS CONDITION**. WITH RESPECT TO CLAUSES (a) THROUGH (d) BELOW, EXCEPT IN THE CASE OF A BREACH BY SELLER OF THE REPRESENTATIONS AND WARRANTIES CONTAINED HEREIN AND EXCEPT FOR SELLER'S BREACH OF ITS COVENANTS SET FORTH HEREIN:

(a) SELLER IS NOT MAKING, AND HAS NOT AT ANY TIME MADE, ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSES, TITLE, ZONING, TAX CONSEQUENCES, LATENT OR PATENT PHYSICAL OR ENVIRONMENTAL CONDITION, UTILITIES, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, THE COMPLIANCE OF THE PROPERTY WITH GOVERNMENTAL LAWS, THE TRUTH, ACCURACY OR COMPLETENESS OF SELLER'S DELIVERIES OR ANY OTHER INFORMATION BY OR ON BEHALF OF SELLER OR ANY OTHER MATTER OR THING REGARDING THE PROPERTY.

(b) UPON CLOSING, SELLER SHALL SELL AND CONVEY TO BUYER, AND BUYER SHALL ACCEPT, THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS." BUYER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO MADE OR FURNISHED BY SELLER OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING EXCEPT FOR ANY REPRESENTATIONS AND WARRANTIES CONTAINED HEREIN. ALL MATERIALS, DATA AND INFORMATION DELIVERED BY SELLER TO BUYER, OR OTHERWISE MADE AVAILABLE TO BUYER, IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREBY ARE PROVIDED TO BUYER AS A CONVENIENCE ONLY AND ANY RELIANCE ON OR USE OF SUCH MATERIALS, DATA OR INFORMATION BY BUYER SHALL BE AT THE SOLE RISK OF BUYER EXCEPT FOR ANY REPRESENTATIONS AND WARRANTIES CONTAINED HEREIN. NEITHER SELLER, NOR ANY AFFILIATE OF SELLER, NOR THE PERSON OR ENTITY WHICH PREPARED ANY REPORT OR REPORTS MADE AVAILABLE BY SELLER TO BUYER SHALL HAVE ANY LIABILITY TO BUYER FOR ANY INACCURACY IN OR OMISSION FROM ANY SUCH REPORT. BUYER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE PROPERTY IS BEING SOLD "AS IS."

(c) BUYER REPRESENTS AND COVENANTS TO SELLER THAT BUYER HAS OR WILL CONDUCT DURING ITS DUE DILIGENCE PERIOD SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS BUYER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OF, OR CUMULATIVE ACTION TO BE TAKEN WITH RESPECT TO, ANY HAZARDOUS MATERIALS ON OR DISCHARGED FROM THE PROPERTY, AND WILL RELY SOLELY UPON THE SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO, EXCEPT FOR ANY REPRESENTATIONS AND WARRANTIES CONTAINED HEREIN.

(d) UPON CLOSING, BUYER SHALL AUTOMATICALLY ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY BUYER'S INVESTIGATIONS.

5. Closing Procedure. Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "**Closing**") shall take place remotely by electronic exchange of documents and signatures (or their electronic counterparts), or at such other place as Seller and Buyer may mutually agree upon in writing. As used herein, "**Closing Date**" means May 26, 2026, or such earlier date as may be agreed upon by Seller and Buyer. The Closing shall be deemed to be effective as of 12:01 AM ET on the Closing Date. The Closing Date is subject to extension as set forth in Section 5.1.

5.1 Escrow. On or before 4:00 p.m. Eastern time on the Closing Date, the parties shall deliver to Escrow Agent the following: (1) by Seller, a duly executed and acknowledged original warranty deed (the "**Deed**") in the form of **Exhibit "C"**, and (2) by Buyer, a duly executed and acknowledged Mortgage and the Closing Payment in immediately available federal funds. If the Closing Payment is received on the Closing Date but after 4:00 p.m. Eastern time, then the Closing Date shall be changed to the next business day. Such delivery shall be made pursuant to escrow instructions ("**Escrow Instructions**") to be executed by Escrow Agent and the Title Company and approved by Buyer and Seller, respectively (each party may have its own separate Escrow Instructions with Escrow Agent and the Title Company). The conditions to the closing of such escrow shall include the Escrow Agent's receipt of the Closing Payment and a notice (which may be by email) from each of Buyer and Seller (or their respective counsel on their behalf) authorizing Title Company to close the transactions as contemplated herein (each of Buyer and Seller being obligated to deliver such authorization notice on the Closing Date as soon as it is reasonably satisfied that the other party is in a position to deliver the items to be delivered by such other party under Section 5.2 below).

5.2 Delivery to Parties. Upon the satisfaction of the conditions set forth in the Escrow Instructions, then (x) the Deed shall be delivered to Buyer and the Mortgage shall be delivered to Seller by Escrow Agent depositing the same for recordation, (y) the Closing Payment shall be delivered by Escrow Agent to Seller and (z) on the Closing Date, the following items shall be delivered:

5.2.1 Seller Deliveries. Seller shall deliver to Buyer the following:

(a) A duly executed bill of sale, assignment and assumption agreement ("**Assignment and Assumption Agreement**") from Seller with respect to the tangible and intangible personal property included in the Property (including the Lease Agreement and any applicable Service Agreements) in the form of **Exhibit "D"**;

(b) A duly executed certificate of Seller (the "**Seller Closing Certificate**") in the form of **Exhibit "E"** updating the representations and warranties contained in Section 7.1 hereof to the Closing Date and noting any changes thereto;

(c) A duly executed certificate of "non-foreign" status in the form of **Exhibit "F"** from Seller and any required state withholding or non-foreign status certificate;

(d) Evidence reasonably satisfactory to Buyer and Title Company respecting the due organization of Seller and the due authorization and execution of this Agreement and the documents required to be delivered hereunder;

(e) To the extent they are then in Seller's possession, and have not theretofore been delivered to Buyer (or were not provided by Tenant to Seller): (i) any plans and specifications for all Improvements on the Property; (ii) all unexpired warranties and guarantees which Seller has received in connection with any work or services performed with respect to, or equipment installed in, the improvements on the Property; (iii) all keys and other access control devices for all improvements on the Property; and (iv) originals of all Service Agreements, if any, that will remain in effect after the Closing; and

(f) Such additional documents as may be reasonably required by Buyer and Title Company in order to consummate the transactions hereunder (provided the same do not increase in any material respect the costs to, or liability or obligations of, Seller in a manner not otherwise provided for herein).

5.2.2 Buyer Deliveries. Buyer shall deliver to Seller the following:

(a) A duly executed and acknowledged Assignment and Assumption Agreement;

(b) A certificate of Buyer (the "**Buyer Closing Certificate**") in the form of **Exhibit "G"** updating the representations and warranties contained in Section 7.2 hereof to the Closing Date and noting any changes thereto;

(c) The duly executed and acknowledged, as applicable, Loan Documents;

(d) Evidence reasonably satisfactory to Seller and Title Company respecting the due organization of Buyer and the due authorization and execution of this Agreement and the documents required to be delivered hereunder (including the Loan Documents); and

(e) Such additional documents as may be reasonably required by Seller and Title Company in or to consummate the transactions hereunder (provided the same do not increase in any material respect the costs to, or liability or obligations of, Buyer in a manner not otherwise provided for herein).

5.3 Closing Costs. The Closing costs shall be paid as follows:

5.3.1 Seller. Seller shall pay the following costs and expenses in connection with the transaction contemplated by this Agreement:

(a) All recording fees for releasing any liens on the Property that Seller is obligated to remove hereunder; and

(b) Excluding the Seller Loan Costs (as defined below) to be paid by Buyer, any and all costs incurred by Seller in connection with the preparation, review, and negotiation of this Agreement and the transactions and the Closing contemplated by this Agreement, including any attorneys' or consultancy fees.

5.3.2 Buyer. Buyer shall pay the following costs and expenses in connection with the transaction contemplated by this Agreement:

(a) All of Escrow Agent's settlement and escrow fees;

(b) Recording fees for the recording of the Deed;

(c) All state, county and city transfer taxes payable, if any, in connection with the transfer contemplated hereby ("**Transfer Taxes**"), including any Transfer Taxes imposed by law on a purchaser or customarily paid by a purchaser;

(d) Recording fees and mortgage recording taxes in connection with the Mortgage;

(e) The title insurance premium for the Owner's Policy and any endorsements to the Owner's Policy;

(f) Any out-of-pocket attorneys' fees and legal costs, and any other costs actually incurred by Seller in connection with the preparation and negotiation of the Loan Documents and the actual cost of any UCC- financing statement filings and the cost of the survey and zoning report paid by Seller and required for survey and zoning endorsements to Lender's title policy not to exceed in the aggregate the sum of (i) Fifty Thousand and No/100 Dollars ($50,000.00), plus (ii) the cost of any mortgage taxes and recording charges incurred by Seller relating to the Seller Loan, plus (iii) the title insurance premium for the Lender's Policy and any Title Endorsements to the Lender's Policy required by Seller (collectively, "**Seller's Loan Costs**"); and

(g) Any and all costs incurred by Buyer in connection with the preparation, review, and negotiation of this Agreement and the transactions and the Closing contemplated by this Agreement, including any attorneys' or consultancy fees.

5.4 Prorations and Credits. Buyer acknowledges that Tenant is responsible for all expenses arising out of the Property prior to and after the Closing Date pursuant to the Lease, Accordingly, only the following credits and prorations shall be made between Seller and Buyer as of the beginning of the Closing Date (on the basis of the actual number of days elapsed over the applicable period):

5.4.1 The rent and estimated reimbursements for insurance received by Seller under the Lease for the month in which the Closing occurs shall be prorated between Buyer and Seller as of the Closing Date; and

5.4.2 Buyer shall be entitled to a credit against the Purchase Price at Closing in an amount equal to, any other prepaid rent for periods after the Closing Date and any refundable security deposit (to the extent the foregoing was made by the Tenant under the Lease Agreement and was not applied or forfeited prior to the Closing Date).

5.4.3 In the event that there is any rent due and owing by Tenant under the Lease, Seller shall be entitled to a credit at Closing in an amount equal to the rent due and owing for the period prior to the Closing Date, and following the Closing, Buyer shall be entitled to collect any such rent from Tenant pursuant to the Lease.

5.4.4 Calculation. Any items which cannot be finally prorated because of the unavailability of information shall be tentatively prorated on the basis of the best data when available and reprorated when the information is available. In the event any prorations or apportionments made under this Section 5.4 shall prove to be incorrect for any reason, then any party shall be entitled to an adjustment to correct the same provided a written request identifying the error in reasonable detail is given to the other party no later than twelve (12) months after the Closing.

6. Condemnation or Destruction of Property. In the event that, after the date hereof but prior to the Closing Date, either any portion of the Property is taken pursuant to eminent domain proceedings or any of the improvements on the Property are damaged or destroyed, then Seller shall be obligated to deliver and assign to Buyer, upon consummation of the transaction herein provided, all claims of Seller respecting any condemnation or casualty insurance coverage, as applicable, and all condemnation proceeds or proceeds from any such casualty insurance received by Seller on account of any casualty (except to the extent required for any deductible, collection costs or repairs by Seller prior to the Closing Date), as applicable. In connection with any assignment of insurance proceeds hereunder, Buyer shall not be credited with an amount equal to the applicable deductible amount under Seller's insurance, it being understood that such cost is the Tenant's responsibility under the Lease. If the condemnation award or the cost of repair of damage to the Property, as applicable, is reasonably likely to exceed $1,500,000.00 or is reasonably likely to require more than sixty (60) days to restore, or to have a material, adverse effect on access to or parking for the Property, then Buyer may, at its option terminate this Agreement by notice to Seller, given on or before the Closing Date.

7. Representations and Warranties.

7.1 Representations and Warranties of Seller.

7.1.1 General Disclaimer. Except as specifically set forth in Section 7.1.2 below, the Deed and the Assignment and Assumption Agreement, the sale of the Property hereunder is and will be made on an "AS IS, WHERE IS" basis, without representations and warranties of any kind or nature, express, implied or otherwise, including any representation or warranty concerning title to the Property, the physical condition of the Property (including the condition of the soil or the Improvements), the environmental condition of the Property (including the presence or absence of hazardous substances on or respecting the Property), the compliance of the Property with applicable laws and regulations (including zoning and building codes or the status of development or use rights respecting the Property), the financial condition of the Property or any other representation or warranty respecting any income, expenses, charges, liens or encumbrances, rights or claims on, affecting or pertaining to the Property or any part thereof. Buyer acknowledges that, during the Due Diligence Period, Buyer will examine, review and inspect all matters which in Buyer's judgment bear upon the Property and its value and suitability for Buyer's purposes. Except as to matters specifically set forth in Section 7.1.2 below, the Deed and the Assignment and Assumption Agreement, Buyer will proceed with the closing contemplated hereby solely on the basis of its own physical and financial examinations, reviews and inspections and the title insurance protection afforded by the Owner's Policy.

7.1.2 Limited Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer as follows:

(a) Due Authority. This Agreement and all agreements, instruments and documents herein provided to be executed or to be caused to be executed by Seller is and on the Closing Date will be duly authorized, executed and delivered by and are binding upon Seller. Seller is a limited liability company, duly organized and validly existing and in good standing under the laws of the State of New York, and is qualified to do business in the State of New York. Seller has the capacity and authority to enter into this Agreement and consummate the transactions herein provided without the consent or joinder of any other party.

(b) Consents; No Conflict. Seller has obtained all consents and permissions related to the transactions herein contemplated and required under any covenant, agreement, encumbrance, or applicable laws. Neither this Agreement nor any agreement, document or instrument executed or to be executed in connection with the same, nor anything provided in or contemplated by this Agreement or any such other agreement, document or instrument, does now or shall hereafter breach, violate, invalidate, cancel, make inoperative or interfere with, or result in the acceleration or maturity of, any agreement, document, instrument, right or interest, or applicable law affecting or relating to Seller or the Property.

(c) OFAC. Neither Seller nor any of Seller's affiliates, nor any of their respective brokers or other agents acting in any capacity in connection with the transactions contemplated by this Agreement, is or will be (a) conducting any business or engaging in any transaction or dealing with any person appearing on the U.S. Treasury Department's OFAC list of prohibited countries, territories, "specifically designated nationals" or "blocked person" (each a "**Prohibited Person**") (which lists can be accessed at the following web address: http://www.ustreas.gov/offices/enforcement/ofac/), including the making or receiving of any contribution of funds, goods or services to or for the benefit of any such Prohibited Person; (b) engaging in certain dealings with countries and organizations designated under Section 311 of the USA PATRIOT Act as warranting special measures due to money laundering concerns; (c) dealing in, or otherwise engaging in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224 dated September 24, 2001, relating to "Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism"; (d) a foreign shell bank or any person that a financial institution would be prohibited from transacting with under the USA PATRIOT Act; or (e) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempting to violate, any of the prohibitions set forth in (i) any U.S. anti-money laundering law, (ii) the Foreign Corrupt Practices Act, (iii) the U.S. mail and wire fraud statutes, (iv) the Travel Act, (v) any similar or successor statutes or (vi) any regulations promulgated under the foregoing statutes.

7.2 Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller: (1) this Agreement and all agreements, instruments and documents herein provided to be executed or to be caused to be executed by Buyer are and on the Closing Date will be duly authorized, executed and delivered by and are binding upon Buyer; (2) Buyer is a limited liability company, duly organized and validly existing and in good standing under the laws of the State of Delaware; and Buyer is duly authorized and qualified to do all things required of it under this Agreement; and (3) Buyer has the capacity and authority to enter into this Agreement and consummate the transactions herein provided without the consent or joinder of any other party (except as otherwise may be set forth in this Agreement).

7.3 Survival. Any cause of action of a party (the "**Benefiting Party**") under this Agreement for a breach of the representations and warranties or any other provision in this Agreement or any certificate delivered in connection herewith by the other party (the "**Obligated Party**") shall survive until the date that is twelve (12) months after the Closing Date (the period beginning on the date hereof and ending on such date being herein called the "**Survival Period**"), at which time such representations and warranties and other provisions (and any cause of action resulting from a breach thereof) shall terminate except as to any breach with respect to which the Benefiting Party gives the Obligated Party written notice (identifying such breach with reasonable detail) on or before the date that is twelve (12) months after the Closing Date. Notwithstanding the foregoing if a Benefiting Party shall have knowledge as of the date of this Agreement that any of the representations or warranties of the Obligated Party contained herein or in any certificate delivered in connection herewith are false or inaccurate, then the Obligated Party shall not have any liability or obligation respecting such false or inaccurate representations or warranties (and any cause of action resulting therefrom shall terminate upon the Closing).

8. Interim Covenants of Seller. Until the Closing Date or the sooner termination of this Agreement:

8.1 Maintenance and Operation. Buyer acknowledges that Seller, as the landlord under the Lease, leases the Property to Tenant and Tenant is responsible for, among other things, its repair, upkeep and maintenance. Accordingly, Seller has not undertaken to either manage or operate the Property in any particular way prior to Closing or to deliver the Property in any particular condition. Without limitation of the foregoing, Seller shall use reasonable efforts to maintain its current insurance.

8.2 Service Agreements. Seller shall not enter into, materially modify or terminate any Service Agreements relating to the Property that would be binding upon the Property or Buyer after the Closing Date without the prior consent of Buyer.

8.3 Leases. Seller shall not enter into any new leases relating to the Property without Buyer's prior written consent.

8.4 Access to the Property. Seller hall continue to give Buyer access to the Property in accordance with and subject to the provisions of Section 4.2.

8.5 Encumbrances. Seller shall not encumber the Property with any mortgages, deeds of trust or other encumbrances, except for the Mortgage at Closing.

9. Default Remedies.

9.1 If the transaction herein provided shall not close by reason of Seller's default under this Agreement or the failure of satisfaction of the conditions benefiting Buyer under Section 4 or the termination of this Agreement in accordance with Section 4 or 6, then no party shall have any further obligation or liability to the other (except under those provisions of this Agreement that expressly survive a termination of this Agreement); provided, however, if the transactions hereunder shall fail to close by reason of Seller's default, then Buyer shall be entitled to either (1) specifically enforce this Agreement or (2) terminate this Agreement and obtain reimbursement by Seller of Buyer's actual out-of-pocket costs paid in connection with the transactions hereunder (such reimbursement not to exceed One Hundred Thousand and No/100 Dollars ($100,000.00) in the aggregate) but no other action, for damages or otherwise, shall be permitted (except that, if specific performance is not available due to Seller's willful default, there will be no limit on Buyer's right to damages hereunder).

**9.2 IN THE EVENT THE TRANSACTION HEREIN PROVIDED SHALL NOT CLOSE BY REASON OF BUYER'S DEFAULT IN ITS OBLIGATION TO CLOSE THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT (ALL CONDITIONS BENEFITING BUYER UNDER SECTION 4 HAVING BEEN SATISFIED OR WAIVED IN WRITING), THEN SELLER SHALL BE ENTITLED TO TERMINATE THIS AGREEMENT AND OBTAIN REIMBURSEMENT BY BUYER OF SELLER'S ACTUAL OUT-OF-POCKET COSTS PAID IN CONNECTION WITH THE TRANSACTIONS HEREUNDER (SUCH REIMBURSEMENT NOT TO EXCEED ONE HUNDRED THOUSAND AND NO/100 DOLLARS ($100,000.00) IN THE AGGREGATE), BUT NO OTHER ACTION, FOR DAMAGES OR OTHERWISE, SHALL BE PERMITTED. SUCH REIMBURSEMENT SHALL BE DELIVERED TO SELLER AS FULL COMPENSATION AND LIQUIDATED DAMAGES UNDER AND IN CONNECTION WITH THIS AGREEMENT, AND IN SUCH EVENT, BUYER SHALL NOT BE LIABLE TO SELLER FOR MONETARY DAMAGES EXCEPT FOR SUCH REIMBURSEMENT (AND AS PROVIDED UNDER THOSE PROVISIONS OF THIS AGREEMENT THAT EXPRESSLY SURVIVE A TERMINATION OF THIS AGREEMENT). IN CONNECTION WITH THE FOREGOING, THE PARTIES RECOGNIZE THAT SELLER WILL INCUR EXPENSE IN CONNECTION WITH THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT AND THAT THE PROPERTY WILL BE REMOVED FROM THE MARKET; FURTHER, THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN THE EXTENT OF DETRIMENT TO SELLER CAUSED BY THE BREACH BY BUYER UNDER THIS AGREEMENT AND THE FAILURE OF THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT OR THE AMOUNT OF COMPENSATION SELLER SHOULD RECEIVE AS A RESULT OF BUYER'S BREACH OR DEFAULT. IN THE EVENT THE SALE CONTEMPLATED HEREBY SHALL NOT BE CONSUMMATED ON ACCOUNT OF BUYER'S DEFAULT, THEN THE REIMBURSEMENT BY BUYER OF SELLER'S ACTUAL OUT-OF-POCKET COSTS PAID IN CONNECTION WITH THE TRANSACTIONS HEREUNDER, NOT TO EXCEED ONE HUNDRED THOUSAND AND NO/100 DOLLARS ($100,000.00) IN THE AGGREGATE SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT BY REASON OF SUCH DEFAULT, SUBJECT TO THE PROVISIONS OF THIS AGREEMENT THAT EXPRESSLY SURVIVE A TERMINATION OF THIS AGREEMENT.**

10. Indemnification. Effective as of the Closing, Buyer shall indemnify, defend and hold the Seller harmless from and against any and all demands, claims, liabilities, losses, costs, expenses, criminal or civil actions, forfeiture seizures, causes of action, damages, suits or judgments, and all reasonable expenses (including reasonable attorneys' fees, charges and disbursements, regardless of whether the applicable demand, claim, action, cause of action or suit is voluntarily withdrawn or dismissed) incurred in investigating or resisting the same of any kind or nature that arise from the Buyer's ownership and/or occupancy of the Property following the Closing.

11. Miscellaneous.

11.1 Brokers.

11.1.1 Seller represents and warrants to Buyer, and Buyer represents and warrants to Seller, that no broker or finder has been engaged by it, in connection with the sale contemplated by this Agreement. In the event of a claim for broker's or finder's fee or commissions in connection with the sale contemplated by this Agreement, then Seller shall indemnify, defend and hold harmless Buyer from the same if it shall be based upon any statement or agreement alleged to have been made by Seller, and Buyer shall indemnify, defend and hold harmless Seller from the same if it shall be based upon any statement or agreement alleged to have been made by Buyer. The indemnification obligations under this Section 11.1.1 shall survive the closing of the transactions hereunder or the earlier termination of this Agreement until the expiration of the Survival Period, at which time such obligations (and any cause of action hereunder not then in litigation) shall terminate.

11.2 Survival. Except as otherwise expressly provided herein, all warranties, representations, covenants, obligations and agreements contained in this Agreement shall survive the Closing and the transfer and conveyance of the Property hereunder and any and all performances hereunder.

11.3 Further Instruments. Each party will, whenever and as often as it shall be requested so to do by the other, cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Agreement.

11.4 Cumulative Remedies. Except as otherwise expressly herein provided, no remedy conferred upon a party in this Agreement is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity or by statute.

11.5 No Waiver. No waiver by a party of any breach of this Agreement or of any warranty or representation hereunder by the other party shall be deemed to be a waiver of any other breach by such other party (whether preceding or succeeding and whether or not of the same or similar nature), and no acceptance of payment or performance by a party after any breach by the other party shall be deemed to be a waiver of any breach of this Agreement or of any representation or warranty hereunder by such other party, whether or not the first party knows of such breach at the time it accepts such payment or performance. No failure or delay by a party to exercise any right it may have by reason of the default of the other party shall operate as a waiver of default or modification of this Agreement or shall prevent the exercise of any right by the first party while the other party continues to be so in default. Closing shall constitute a waiver of any condition to Closing, but shall not constitute a waiver of liability for a breach occurring prior to Closing.

11.6 Consents and Approvals. Except as otherwise expressly provided herein, any approval or consent provided to be given by a party hereunder must be in writing to be effective and may be given or withheld in the sole and absolute discretion of such party.

11.7 Press Releases. Any press release issued with respect to the transactions contemplated by this Agreement shall be subject to the prior approval of Buyer and Seller, such approval not to be unreasonably withheld.

11.8 Modification. This Agreement may not be modified or amended except by written agreement signed by Seller and Buyer.

11.9 Matters of Construction.

11.9.1 Incorporation of Exhibits. All exhibits attached and referred to in this Agreement are hereby incorporated herein as fully set forth in (and shall be deemed to be a part of) this Agreement.

11.9.2 Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

11.9.3 Non-Business Days. Whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time (or by a particular date) that ends (or occurs) on a non-business day, then such period (or date) shall be extended until the immediately following business day. As used herein, "**business day**" means any day other than a Saturday, Sunday or federal or New York state holiday.

11.9.4 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

11.9.5 Interpretation. Words used in the singular shall include the plural, and vice-versa, and any gender shall be deemed to include the other. Whenever the words "including", "include" or "includes" are used in this Agreement, they shall be interpreted in a non-exclusive manner. The captions and headings of the Sections of this Agreement are for convenience of reference only, and shall not be deemed to define or limit the provisions hereof. Except as otherwise indicated, all Exhibit and Section references in this Agreement shall be deemed to refer to the Exhibits and Sections in this Agreement. Each party acknowledges and agrees that this Agreement (a) has been reviewed by it and its counsel, (b) is the product of negotiations between the parties, and (c) shall not be deemed prepared or drafted by any one party. In the event of any dispute between the parties concerning this Agreement, the parties agree that any ambiguity in the language of this Agreement is to not to be resolved against Seller or Buyer, but shall be given a reasonable interpretation in accordance with the plain meaning of the terms of this Agreement and the intent of the parties as manifested hereby.

11.9.6 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO CONFLICTS OF LAW).

11.9.7 Third Party Beneficiaries. Except as otherwise expressly provided in this Agreement, Seller and Buyer do not intend by any provision of this Agreement to confer any right, remedy or benefit upon any third party, and no third party shall be entitled to enforce or otherwise shall acquire any right, remedy or benefit by reason of any provision of this Agreement.

11.10 No Recordation. In no event shall this Agreement or any document or memorandum related to the subject matter of this Agreement be recorded without the prior written consent of Seller.

11.11 Effectiveness of Agreement. In no event shall any draft of this Agreement create any obligations or liabilities, it being intended that only a fully executed and delivered copy of this Agreement will bind the parties hereto.

11.12 No Joint Venture. This Agreement does not and shall not be construed to create a partnership, joint venture or any other relationship between the parties hereto except the relationship of the seller and buyer specifically established hereby.

11.13 Successors and Assigns. Buyer may not assign or transfer its rights or obligations under this Agreement without the prior written consent of Seller (in which event such transferee shall assume in writing all of the transferor's obligations hereunder, but such transferor shall not be released from its obligations hereunder); provided, however, that Seller hereby consents to the assignment by Buyer of its interest in this Agreement to an entity controlled by or under common control with Buyer, provided Buyer gives Seller prior written notice of the same. No consent given by Seller to any transfer or assignment of Buyer's rights or obligations hereunder shall be construed as a consent to any other transfer or assignment of Buyer's rights or obligations hereunder. No transfer or assignment in violation of the provisions hereof shall be valid or enforceable. Subject to the foregoing, this Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties.

11.14 Notices. Any notice or other communication permitted or required to be given hereunder shall be in writing, and shall be delivered (a) personally, (b) by United States registered or certified mail, postage prepaid, (c) by Federal Express or other reputable courier service regularly providing evidence of delivery (with charges paid by the party sending the notice), or (d) by facsimile or a PDF or similar attachment to an email. Any such notice to a party shall be addressed at the address set forth below (subject to the right of a party to designate a different address for itself by notice similarly given).

TO BUYER:

256 COUNTY ROUTE 117 PERTH LLC,
c/o Vireo Growth Inc.
207 South 9th Street
Minneapolis, MN 55402
Attention: Sean Apfelbaum, General Counsel
Telephone: [***]
E-mail: [***]

With Copy To:

Eversheds Sutherland (US) LLP
227 West Monroe Street, 60th Floor,
Chicago, IL 60606
Attention: Marc A. Benjamin
Telephone: [***]
E-mail: [***]

TO SELLER:

IIP-NY 2 LLC
11440 West Bernardo Court, Suite 100
San Diego, California 92127
Attn: Legal
Telephone: [***]
E-mail: [***]

Service of any such notice so made shall be deemed effective on the day of actual delivery (whether accepted or refused) as evidenced by printed confirmation if by facsimile (provided that if any notice or other communication to be delivered by facsimile or email attachment as provided above cannot be transmitted because of a problem affecting the receiving party's facsimile machine or computer, the deadline for receiving such notice or other communication shall be extended through the next business day), as shown by the addressee's return receipt if by certified mail, and as confirmed by the courier service if by courier. The attorneys for any party hereto shall be entitled to provide any notice that a party desires to give or is required to give hereunder.

11.15 Legal Costs. The parties hereto agree that they shall pay directly any and all legal costs which they have incurred on their own behalf in the preparation of this Agreement, all other agreements pertaining to this transaction and that such legal costs shall not be part of the closing costs. In addition, if any party hereto brings any suit or other proceeding with respect to the subject matter or the enforcement of this Agreement or any document executed in connection with this Agreement, the prevailing party (as determined by the court, agency or other authority before which such suit or proceeding is commenced), in addition to such other relief as may be awarded, shall be entitled to recover reasonable attorneys' fees, expenses and costs of investigation actually incurred from the non-prevailing party. The foregoing includes reasonable attorneys' fees, expenses and costs of investigation (including those incurred in appellate proceedings), costs incurred in establishing the right to indemnification, or in any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11 or 13 of the Bankruptcy Code (11 United States Code Sections 101 et seq.), or any successor statutes. This Section shall survive any termination of this Agreement.

11.16 Counterparts; Delivery. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. The delivery of an executed counterpart of this Agreement via Docusign or as a PDF or similar attachment to an email shall constitute effective delivery of such counterpart for all purposes with the same force and effect as the delivery of an original, executed counterpart.

*[Signature pages follow]*

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

**SELLER:**

**IIP-NY 2 LLC**,
a Delaware limited liability company

By: IIP Operating Partnership, LP, its sole member

By: Innovative Industrial Properties, Inc., its general partner

By: /s/ David Smith
Name: David Smith
Title: Chief Financial Officer

[Signature page to Premises Purchase Agreement]

**BUYER:**

**256 COUNTY ROUTE 117 PERTH LLC,**
a Delaware limited liability company

By:/s/ John Mazarakis
Name: John Mazarakis
Title: Chief Executive Officer

[Signature page to Premises Purchase Agreement]

**EXHIBIT LIST**

| | | |
|---|---|---|
| "A" | - | Description of Land |
| "B" | - | Service Agreements |
| "C" | - | Form of Deed |
| "D" | - | Form of Assignment and Assumption Agreement |
| "E" | - | Form of Seller's Closing Certificate |
| "F" | - | Form of Non-Foreign Status Certificate |
| "G" | - | Form of Buyer's Closing Certificate |
| "H" | - | Form of Promissory Note |
| "I" | - | Form of Mortgage, Assignment of Rents and Security Agreement |
| "J" | - | Form of Guaranty |

**Exhibit 10.4**

**PROMISSORY NOTE**

$49,000,000.00 May 26, 2026
Perth, New York

**FOR VALUE RECEIVED**, in connection with that certain loan (the "**Loan**") of even date herewith, **256 COUNTY ROUTE 117 PERTH LLC**, a Delaware limited liability company, as maker, having an address at c/o Vireo Growth Inc., 207 South 9th Street, Minneapolis, Minnesota 55402 (together with its successors and permitted assigns, the "**Borrower**"), hereby UNCONDITIONALLY PROMISES TO PAY in lawful money of the United States of America and in immediately available funds, TO THE ORDER OF **IIP-NY 2 LLC**, a Delaware limited liability company (together with its successors and assigns, the "**Lender**"), as payee, at Lender's address at 11440 West Bernardo Ct, Suite 100, San Diego, CA 92127, or at such other place as Lender may from time to time designate in writing, the principal sum of Forty-Nine Million and No/100 DOLLARS ($49,000,000.00), together with all accrued interest thereon as provided in this Promissory Note (this "**Note**") and all other amounts due and payable under this Note, that certain Mortgage (as hereinafter defined), and the other Loan Documents (as defined in the Mortgage), as each may be amended, restated, supplemented, or otherwise modified from time to time in accordance with their terms.

## ARTICLE I
## GENERAL TERMS

**Section 1.01 Secured Loan.** The Loan evidenced by this Note is secured by, among other things, a mortgage given by Borrower (therein referred to as "Mortgagor") to Lender (therein referred to as "Mortgagee") of even date herewith (the "**Mortgage**"), encumbering certain real property and appurtenances located and known as 256 County Route 117 in Perth, New York, as more particularly described in the Mortgage (the "**Property**"). Lender shall be entitled to all rights, remedies, and benefits as provided by the Mortgage and shall have all rights to enforce the covenants and agreements therein. The covenants, conditions, and agreements contained in the Mortgage and other Loan Documents are hereby made a part of this Note to the extent and with the same force as if they were fully set forth herein.

**Section 1.02 Definitions.** Unless otherwise specified herein, all capitalized terms used herein but not defined herein shall have the meaning given such term in the Mortgage.

**Section 1.03 Negotiable Instrument.** Borrower agrees that this Note is a negotiable instrument, even though this Note, absent this paragraph, may not otherwise qualify as a negotiable instrument under New York law.

**Section 1.04 Exculpation.** NOTWITHSTANDING ANY PROVISION IN THE LOAN DOCUMENTS TO THE CONTRARY, BORROWER'S PERSONAL LIABILITY FOR PAYMENT OF THIS NOTE AND THE PERFORMANCE OF THE OBLIGATIONS UNDER THIS NOTE IS LIMITED IN THE MANNER AND TO THE EXTENT EXPRESSLY PROVIDED IN ARTICLE V HEREOF.

## ARTICLE II
## LOAN ADVANCE AND REPAYMENT

**Section 2.01 Single Advance.** Subject to the terms and conditions set forth herein, and in reliance on Borrower's representations, warranties, and covenants as set forth herein, Lender will fund the Loan in a single advance to Borrower on the Effective Date. The Loan shall be evidenced by this Note made by Borrower to the order of Lender which shall bear interest and be paid upon the terms and conditions set forth herein.

**Section 2.02 Calculation of Interest.**

(a) **Applicable Interest Rate.** Except as otherwise provided in this Note, the outstanding balance of the Loan shall accrue interest at the Applicable Interest Rate (as hereinafter defined) from the date of this Note until the entire Debt is paid in full, whether at maturity, upon acceleration, by prepayment, or otherwise. As used herein and in the other Loan Documents, the term "**Applicable Interest Rate**" means fifteen percent (15%) per annum.

(b) **Computation of Interest.** Interest due on the Loan shall be paid in arrears and calculated based on a 360-day year composed of the actual number of days elapsed for any whole or partial month in which interest is being calculated, except that interest due for a period of less than a full calendar month shall be calculated by multiplying the actual number of days elapsed in such partial month by a daily rate calculated on said 360-day year.

(c) **No Adjustments.** All payments made by Borrower hereunder shall be made free and clear of, and without reduction for, or on account of, any income, stamp, or other taxes, levies, imposts, duties, charges, fees, deductions, or withholding imposed, levied, collected, withheld, or assessed by any government or taxing authority. If any such amounts are required to be withheld from amounts payable to Lender, the amounts payable to Lender under the Loan Documents shall be increased by such amounts. If any such amounts are payable by Borrower, Borrower shall pay all such amounts by their due date and promptly send Lender a copy of an original official receipt showing payment thereof. Borrower shall indemnify Lender for any taxes, interest, or penalties that may become payable by Lender as a result of any such failure by Borrower to pay such amounts as they become due.

(d) **Increased Cost of Maintaining Interest; Right of Acceleration.**

(i) If any law, regulation, rule, or guideline hereafter is enacted or modified, whether or not they have the force of law, and compliance therewith results in an increase in the cost to Lender (including, without limitation, a reduction in the income received by Lender) in making, funding, or maintaining interest on the Loan at the interest rate herein provided, then, within ten (10) Business Days after written demand by Lender, Borrower shall pay Lender the additional amounts necessary to compensate Lender for such increased costs.

(ii) Without limiting the foregoing, if Borrower is prohibited by applicable law from paying any amount due to Lender under Section 2.02(c) or this Section 2.02(d), Lender may elect to declare the unpaid principal balance of the Loan, together with all unpaid interest accrued thereon and all other amounts due hereunder, due and payable within thirty (30) days of Lender's written notice to Borrower in which event no prepayment penalty or premium shall be due. Lender's delay or failure in accelerating the Loan upon the discovery or occurrence of an event under Section 2.02(c) or this Section 2.02(d) shall not be deemed a waiver or estoppel against the exercise of such right.

**Section 2.03 Loan Payments.**

(a) **Payment at Closing.** If the Loan is funded on a date other than the first (1st) day of a calendar month, Borrower shall pay to Lender at the time of funding an interest payment calculated by multiplying (i) the number of days from and including the Effective Date to (and including) the last day of the payment period by (ii) a daily rate based on the Applicable Interest Rate.

(b) **Monthly Debt Service.** On the first day of each calendar month (each, a "**Monthly Payment Date**") during the term of this Note commencing on June 1, 2026, Borrower shall pay to Lender in immediately available funds equal monthly installments of interest only in the amount of interest that has accrued on the Loan at the Applicable Interest Rate during the applicable payment period.

(c) **Maturity Date.** On May 25, 2027 (the "**Maturity Date**") subject, however, to Lender's right to accelerate the Loan after an Event of Default and as the same may be extended pursuant to the terms herein, Borrower shall pay the outstanding principal balance of the Loan, together with all accrued and unpaid interest thereon and all other unpaid amounts due under this Note, the Mortgage, and the other Loan Documents which shall become immediately due and payable in full, *time being of the essence*.

(d) **Extension Options.** Notwithstanding the foregoing, provided that no monetary default or any other Event of Default has occurred and is continuing, Borrower shall have two (2) options to extend the Maturity Date for a period of one (1) year each, on the same terms and conditions as set forth in this Note and the other Loan Documents, by delivering to Lender, no later than thirty (30) days prior to the then-existing Maturity Date: (i) written notice of Borrower's election to extend; and (ii) an extension fee equal to one percent (1%) of the outstanding principal balance of this Note, plus all accrued but unpaid interest, as of the date of such extension (the "**Extension Fee**"). Upon Lender's receipt of such written notice and Extension Fee in accordance with the foregoing, the Maturity Date shall automatically be extended by one (1) year.

**Section 2.04 Payments Generally.**

(a) **Delivery of Payment.** All payments due to Lender under this Note and the other Loan Documents are to be paid to Lender at the address set forth above, or at such other place as Lender may designate in writing from time to time. All amounts due under this Note and the other Loan Documents shall be paid in immediately available funds without setoff, counterclaim, or any other deduction whatsoever.

(b) **Credit for Payments.** All payments of interest, principal, and all other sums due hereunder shall be made in lawful money of the United States of America no later than 12:00 p.m. Eastern Time on the date on which such payment is due by check, or by wire transfer of immediately available funds to Lender's account at the address designated by Lender in writing to Borrower from time to time. Whenever any payment shall be due on a day that is not a Business Day, such payment shall be due on the next succeeding Business Day and such extension will be taken into account in calculating the amount of interest payable under this Note.

(c) **Invalidated Payments.** If any payment received by Lender is deemed by a court of competent jurisdiction, pursuant to a final, non-appealable order, to be a voidable preference or a fraudulent conveyance under any applicable bankruptcy, insolvency, or other debtor relief law, and is required to be returned by Lender, then the obligation to make such payment shall be reinstated, and such payment shall be immediately due and payable upon demand notwithstanding that the Note may have been marked satisfied and returned to Borrower or otherwise canceled.

(d) **Late Charges.** If any payment or sum due under this Note (other than the payment due at maturity or acceleration), is not paid in full within five (5) Business Days of the due date, Lender may charge Borrower an amount equal to five percent (5%) of the overdue amount (the "**Late Charges**") as liquidated damages. Late Charges are to defray the expenses incurred in connection with handling and processing and the loss of use of such funds, which expenses would be impracticable to quantify. Borrower acknowledges that the Late Charges are a reasonable estimate of such expenses. Unpaid Late Charges shall be added to the Debt.

(e) **Default Interest Rate.** Upon the occurrence and during the continuance of an Event of Default, the interest rate on the Loan shall increase to the Applicable Interest Rate plus five (5) basis points (the "**Default Rate**"). Interest shall continue to accrue at the Default Rate until such Event of Default has been cured or waived, or until full payment of the delinquent amount has been received. In addition, Lender shall have the right, without acceleration of the Loan, to collect interest at the Default Rate on any payment due hereunder which is not received by Lender on or before the date on which such payment is due (subject to any applicable grace period). Interest at the Default Rate shall accrue on any judgment obtained by Lender in connection with any enforcement of the Loan or any of the obligations due under the other Loan Documents until such judgment is paid in full with interest at the Default Rate. Borrower acknowledges that it would be extremely difficult or impracticable to determine Lender's actual damages resulting from any default, and the Default Rate is a reasonable estimate of those damages and does not constitute a penalty.

(f) **Application of Payments.** Except after an Event of Default, all payments made by Borrower shall be applied first to the payment of Late Charges, then to advances made by Lender to protect the Property or to perform an Obligation that Borrower fails to perform, then to the payment of accrued and unpaid interest at the Applicable Interest Rate or the Default Rate, as applicable, and then to the reduction of the outstanding principal. Notwithstanding the foregoing, during the continuance of an Event of Default, all payments made hereunder may be applied by Lender in such order, priority and in such proportion as Lender shall elect in its sole discretion. No amount repaid hereunder may be reborrowed.

**Section 2.05 Usury Savings Clause.** At no time is Borrower required to pay interest on the Loan or on any other payment due under the Loan at a rate which would subject Lender either to civil or criminal liability as a result of being in excess of the maximum interest rate permitted by law. If interest, or any amount deemed interest, whether paid or payable by Borrower exceeds or is deemed to exceed the maximum interest rate permitted by Applicable Law, then the amount to be paid shall be reduced by such amount so that the amount to be paid shall not exceed the maximum rate permitted by Applicable Law. Any payments made in excess of such maximum interest rate shall be deemed to have been payments of principal in inverse order of maturity and not of interest.

## ARTICLE III
## LOAN PREPAYMENT

**Section 3.01 Prepayment.** Borrower acknowledges that Lender is making the Loan at the Applicable Interest Rate and upon the other terms herein set forth in reliance upon Borrower's promise not to prepay the Loan except as permitted herein. Except as expressly provided in Section 3.02, Borrower agrees that Borrower shall have no right to prepay all or any part of the Loan.

**Section 3.02 Permitted Prepayments.** Provided no Event of Default then exists under the Loan, upon not less than thirty (30) days prior written notice to Lender, Borrower may prepay the Loan in whole or in part without penalty, provided Borrower pays with such prepayment all other outstanding amounts then due and owing under this Note and other Loan Documents.

## ARTICLE IV
## EVENTS OF DEFAULT AND REMEDIES

**Section 4.01 Events of Default.** The occurrence of any of the following events shall constitute an event of default ("**Event of Default**") under this Note:

(a) **Failure to Pay.** Borrower fails (i) to pay the amount due on the Maturity Date, (ii) to pay any monthly interest payment due under this Note within five (5) Business Days of when due, (iii) to pay any other payment due under this Note within five (5) Business Days of written notice from Lender that such payment was not received when due, or (iv) to perform any other non-monetary obligation due under this Note within thirty

(30) days after written notice from Lender specifying such failure (provided that if such non-monetary default is of a nature that it cannot reasonably be cured within such thirty
(30) day period, Borrower shall have such additional time as may be reasonably necessary, up to a maximum of ninety (90) days, so long as Borrower commences cure within such thirty (30) day period and diligently pursues such cure to completion).

(b) **Affiliate Lease Cross-Defaults.** Any default beyond applicable notice and cure periods shall occur and be continuing under any lease agreement between any affiliate of Borrower and any affiliate of Lender ("**Affiliate Lease Agreement**").

(c) **Loan Document Cross-Default.** Any default beyond applicable notice and cure periods shall occur under any other Loan Document.

**Section 4.02 Remedies.** During the continuance of an Event of Default, Lender shall be entitled to exercise all rights and remedies at law or in equity available to Lender under this Note, the Mortgage, and the other Loan Documents which rights and remedies are incorporated herein by specific reference.

(a) **Remedies Cumulative.** The rights and remedies available to Lender shall be cumulative and may be exercised independently, concurrently, or successively in Lender's sole discretion on one or more occasions, as applicable.

(b) **Notice and Demand Waived.** Notice or demand given to Borrower in any instance shall not, by itself, entitle Borrower to notice or demand in a similar or subsequent instance nor shall any such notice or demand constitute a waiver by Lender of its rights to take any further action without notice or demand.

(c) **Partial Exercise.** No partial exercise by Lender of any right or remedy exercised pursuant to this Note shall preclude further exercise of such remedy or the exercise of any other remedy available to Lender in contract, at law, or in equity.

(d) **No Prejudice to Lender's Rights.** Lender may release security for the Loan, may release any party liable for the Loan, may grant extensions or forbearances with respect thereto, and may apply any security held to repayment of the Loan, in each case, without prejudice to Lender's rights under this Note. Lender shall not be deemed as a consequence of its delay or failure to act, or by granting any releases, extensions, forbearances, or by applying any security to the balance due, to have waived or be estopped from exercising any rights and remedies Lender may have under the Loan Documents or at law or in equity.

## ARTICLE V
## NONRECOURSE LOAN; EXCEPTIONS TO NONRECOURSE

**Section 5.01 Nonrecourse Generally.** Except as otherwise provided in this Article V, or expressly stated in any of the other Loan Documents, Lender shall enforce the liability of Borrower to pay the Debt and perform the Obligations contained in this Note, the Mortgage, and each other Loan Document only against the Property and not against Borrower or any of Borrower's principals, directors, officers, members, or employees. Notwithstanding the foregoing, this Section 5.01 is not applicable to any guaranty or indemnity executed in connection with the Loan, including the Guaranty.

**Section 5.02 Full Recourse Liability.** Upon the occurrence of any event described in this Section 5.02, the nonrecourse provisions of Section 5.01 above shall become NULL AND VOID and the Loan shall be FULLY RECOURSE to Borrower, and Borrower shall be personally liable for payment of the Loan and performance of all Obligations under the Loan Documents.

(a) **Property as Asset in Voluntary Bankruptcy.** The Property or any part thereof becomes an asset in a voluntary bankruptcy, liquidation, insolvency, or similar proceeding affecting the Property.

(b) **Voluntary Bankruptcy of Borrower.** Borrower commences a bankruptcy, liquidation, insolvency, or similar proceeding affecting Borrower.

(c) **Involuntary Bankruptcy.** An involuntary bankruptcy or other insolvency proceeding is commenced against Borrower (by a party other than Lender) and Borrower fails to cause its dismissal within sixty (60) days of its commencement or Borrower consents to such proceeding.

(d) **Collusion or Solicitation for Bankruptcy Protection.** Borrower or Guarantor:

(i) Acts in concert with, colludes, or conspires with each other or any other party to cause the filing of any bankruptcy or other insolvency proceeding affecting the Property or Borrower; or

(ii) Solicits or causes the solicitation of an involuntary bankruptcy or insolvency petition against Borrower or Guarantor.

(e) **Acquiescence or Consent to Bankruptcy.** Borrower or Guarantor consents to, acquiesces in, or joins in:

(i) Any involuntary bankruptcy, liquidation, insolvency, or similar proceeding filed against any of them; or

(ii) Any application for the appointment of a custodian, receiver, trustee, or examiner for Borrower, Guarantor, or the Property.

(f) **Assignment for the Benefit of Creditors.** Any of Borrower or Guarantor makes an assignment for the benefit of creditors, or admits in writing that it is insolvent or unable to pay its debts as they become due.

(g) **Impermissible Transfer.** Borrower fails to obtain Lender's prior written consent to any Transfer in accordance with Section 8.01 of the Mortgage, other than a Transfer for which Lender's prior written consent is not required pursuant to Section 8.03 of the Mortgage.

(h) **Breach of SPE Covenants.** Borrower fails to maintain its status as a single purpose entity.

**Section 5.03 Partial Recourse Liability.** The nonrecourse provisions of Section 5.01 SHALL NOT APPLY, and Borrower shall be PERSONALLY LIABLE for all Losses (as hereinafter defined) incurred by Lender arising out of, relating to, or attributable to, in whole or in part in connection with the occurrence of any event described in this Section 5.03. As used herein, the term "**Losses**" means the cost of any and all claims, suits, liabilities (including, without limitation, strict liability under applicable federal and state securities laws), actions, proceedings, obligations, debts, damages, expenses, fines, penalties, charges, fees, judgments, awards, and settlements, of whatever kind or nature, including without limitation, reasonable and documented legal fees and expenses.

(a) **Fraud or Misrepresentation.** Fraud, material misrepresentation, or failure to disclose a material fact by Borrower or Guarantor or any Affiliate of either of them on their behalf in:

(i) the Loan Documents;

(ii) Any financial statement, certificate, report, or other document furnished by Borrower or Guarantor to Lender in connection with the Loan; or

(iii) Any request for Lender's consent made during the term of the Loan.

(b) **Misapplication or Misappropriation of Funds.** Intentional or grossly negligent misapplication or misappropriation of:

(i) Insurance proceeds or condemnation awards in violation of the Loan Documents;

(ii) Rent received by Borrower after the occurrence and during the continuance of an Event of Default;

(iii) Rent paid more than one (1) month in advance by tenants under the Leases; and

(iv) Tenant security deposits, lease termination payments, or other refundable deposits or payments held by or on behalf of Borrower in connection with the Leases.

(c) **Waste.** Damage to or loss of all or any part of the Property as a result of physical waste ("physical waste" meaning the diminution in the Property's value resulting from Borrower's grossly negligent or willful failure to maintain or repair the Property in a commercially reasonable manner), gross negligence, or willful misconduct by Borrower.

(d) **Unapproved Liens.** If Borrower fails to obtain Lender's prior written consent to any financing or other voluntary Lien or encumbrance affecting the Property, other than (i) trade payables and operational debt incurred in the ordinary course of business, and (ii) any Permitted Additional Financing.

(e) **Tax Liens.** Borrower fails to pay Taxes or assessments against the Property and does not cure such failure within thirty (30) days after written notice from Lender, unless there is insufficient cash flow from the Property to pay such Taxes or assessments.

(f) **Lapse of Insurance Coverage.** Borrower fails to obtain and maintain the insurance coverages required under the Mortgage or other Loan Documents.

**Section 5.04 No Waiver; No Impairment.** Notwithstanding anything to the contrary in this Note or any of the Loan Documents, the provisions of this Article V shall not: (a) constitute a waiver, release, or impairment of any obligation evidenced or secured by any Loan Document; (b) impair the rights of Lender to name Borrower as a party defendant in any action or suit for foreclosure and sale under the Mortgage; (c) affect the validity or enforceability of any of the Loan Documents or any guaranty made in connection with the Loan or any of the rights and remedies of Lender thereunder; (d) impair the right of Lender to obtain the appointment of a receiver; (e) impair the enforcement of the Assignment of Leases and Rents, if applicable; or (f) constitute a prohibition against Lender to commence any other appropriate action or proceeding in order for Lender to fully realize the security granted by the Mortgage, including, without limitation, exercising any right which Lender may have under Section 506(a), 506(b), 1111(b), or any other provisions of the Bankruptcy Code to file a claim against Borrower for the full amount of the Debt secured by the Mortgage or to require that all collateral continue to secure the Debt in accordance with this Note and the other Loan Documents.

## ARTICLE VI
## MISCELLANEOUS

**Section 6.01 Incorporation by Reference.** The following Sections of the Mortgage are incorporated into this Note in their entirety by specific reference, as if fully set out herein: Section 9.03 (entitled: Omnibus Provisions Pertaining to Mortgagee's Rights and Remedies); Section 10.01 (entitled: Notices); Section 10.03 (entitled: No Joint Venture; No Third-Party Beneficiaries); Section 10.04 (entitled: Mortgagee Approval); and Section 10.09 (entitled: Waiver of Jury Trial).

**Section 6.02 Governing Law.** This Note and any claim, controversy, dispute or cause of action (whether in contract, equity, tort or otherwise) based upon, arising out of or relating to this Note and the transactions contemplated hereby shall be governed by the laws of the State of New York without giving effect to its principles of choice of law or conflicts of law.

**Section 6.03 Waivers.** To the extent permitted by applicable law, Borrower hereby waives presentment, demand for payment, protest, notice of dishonor, notice of protest or nonpayment, notice of intent to accelerate and notice of acceleration of maturity, in each case, in connection with the enforcement of this Note or the taking of any action to collect sums owing hereunder. Nothing in this Section 6.03 shall be construed as a waiver of any notice expressly required under any other provision of this Note or the other Loan Documents.

**Section 6.04 Severability.** If any term or provision of this Note is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Note or invalidate or render unenforceable such term or provision in any other jurisdiction.

**Section 6.05** **Time of Essence.** Time shall be of the essence with respect to all of Borrower's Obligations under this Note.

**Section 6.06** **Use of Funds.** Borrower hereby warrants, represents, and covenants that all funds disbursed hereunder are for, and shall be in connection with business or commercial purposes and that no funds disbursed hereunder are for, or shall be used in connection with personal, family, or household purposes.

**Section 6.07** **Electronic Execution.** The words "execution," "signed," "signature," and words of similar import in the Note shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based record-keeping system, as the case may be, to the extent and as provided for under applicable law, including the New York Electronic Signatures and Records Act (N.Y. Tech. §§ 301 to 309) as amended from time to time.

**Section 6.08** **Sale or Pledge of Note.** Lender shall have the absolute and unrestricted right at any time or from time to time, and without consent by Borrower, or any guarantor, indemnitor, or other person, to sell, pledge or assign all or any portion of this Note and the Loan evidenced by this Note and the Loan Documents, and/or grant or sell participation interests therein, to one or more persons (provided that Lender shall use good faith, commercially reasonable efforts to promptly provide or cause its successor to provide Borrower written notice of the same). Notwithstanding the foregoing, the parties acknowledge and agree that Lender is collateral assigning its interest in the Loan to Thorofare Asset Based Lending REIT Fund V, LLC, a Delaware limited liability (together with its successors and assigns, "**Lender Counterparty**"), and no such notice shall be required to be delivered to Borrower with respect to such Lender Counterparty and collateral assignment. Borrower shall, and shall cause any guarantor and indemnitor to, execute, acknowledge and deliver any and all instruments reasonably requested by Lender to evidence that the unpaid Debt evidenced by this Note is outstanding and payable without defense, offset or counterclaim of any kind on the terms and provisions set out in this Note and the other Loan Documents. Such assignee(s) or participant(s) shall have the rights and benefits with respect to this Note and the other Loan Documents as such assignee(s) or participant(s) would have if they were the Lender originally named in this Note.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Borrower has executed this Note as of the date set forth above.

**256 COUNTY ROUTE 117 PERTH LLC,**
a Delaware limited liability company

By:/s/ Tyson Macdonald
Name: Tyson Macdonald
Title: Chief Financial Officer

**Exhibit 10.5**

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, FINANCING STATEMENT, AND FIXTURE FILING**

By

**256 COUNTY ROUTE 117 PERTH LLC, as mortgagor**
**("Mortgagor")**

in favor of

**IIP-NY 2 LLC, as mortgagee**
**("Mortgagee")**

County: Fulton

Premises: **256 County Route 117, Perth, NY 12095**

**TABLE OF CONTENTS**


| | Page |
|---|---|
| ARTICLE I GRANT OF SECURITY INTERESTS AND OBLIGATIONS SECURED | 2 |
| Section 1.01 Grant to Mortgagee | 2 |
| Section 1.02 Obligations Secured; Incorporation by Reference | 4 |
| Section 1.03 Mortgage as Security Agreement and Financing Statement | 4 |
| Section 1.04 Mortgage as Fixture Filing | 4 |
| ARTICLE II ASSIGNMENT OF LEASES AND RENTS | 5 |
| Section 2.01 Assignment of Leases and Rents | 5 |
| Section 2.02 Revocable License | 5 |
| Section 2.03 Mortgagee's Rights After License Revocation | 6 |
| ARTICLE III SINGLE PURPOSE ENTITY REQUIREMENTS | 7 |
| Section 3.01 Formation and Existence | 7 |
| Section 3.02 Separateness Covenants and Requirements | 7 |
| ARTICLE IV REPRESENTATIONS AND WARRANTIES | 12 |
| Section 4.01 Organization and Legal Status | 12 |
| Section 4.02 Power and Authority; Enforceability | 13 |
| Section 4.03 No Legal Conflict or Impediment | 13 |
| Section 4.04 No Litigation | 14 |
| Section 4.05 Business Purpose of Loan | 14 |
| Section 4.06 Warranty of Title; Perfection and Priority of Lien; Permitted Encumbrances | 14 |
| Section 4.07 Property Condition | 15 |
| Section 4.08 No Condemnation | 15 |
| Section 4.09 Environmental Representations and Warranties; Property Compliance with Law | 15 |
| Section 4.10 Separate Tax Lot | 16 |
| Section 4.11 Flood Zone | 16 |
| Section 4.12 Adequate Utilities | 16 |
| Section 4.13 Public Access | 16 |
| Section 4.14 Boundaries | 16 |
| Section 4.15 Mechanic's Liens | 16 |
| Section 4.16 Special Assessments; Transfer Taxes; and Mortgage Recording Taxes | 16 |
| Section 4.17 Insurance | 17 |
| Section 4.18 Leases | 17 |
| Section 4.19 Property Management | 18 |
| Section 4.20 Financial Condition | 18 |
| Section 4.21 Real Property and Income Taxes | 18 |
| Section 4.22 No Foreign Person | 19 |
| Section 4.23 No Illegal Activity as Source of Funds | 19 |

Section 4.24 Compliance with Anti-Terrorism, Embargo, Sanctions, and Anti-Money Laundering Laws 19
Section 4.25 Brokers' and Finders' Fees 21
Section 4.26 Complete Disclosure; No Change in Facts or Circumstances 21
Section 4.27 ERISA Compliance 21
Section 4.28 Survival 21

ARTICLE V MORTGAGOR COVENANTS AND LOAN REQUIREMENTS 21
Section 5.01 Property Covenants and Requirements 21
Section 5.02 Leasing Covenants 23
Section 5.03 Insurance Coverages 24
Section 5.04 Existence, Financial and Reporting Covenants 27
Section 5.05 Covenants of Continued Cooperation 29

ARTICLE VI TAX ESCROW 31
Section 6.01 Tax and Insurance Escrows 31
Section 6.02 Maintenance of Accounts 32

ARTICLE VII CASUALTY AND CONDEMNATION 33
Section 7.01 Provisions Applicable to Casualty and Condemnation 33
Section 7.02 Casualty 34
Section 7.03 Condemnation 35

ARTICLE VIII NO TRANSFERS; DUE ON SALE 36
Section 8.01 Prohibition Against Transfers 36
Section 8.02 Due on Sale 37
Section 8.03 Permitted Transfers 37

ARTICLE IX EVENTS OF DEFAULT; REMEDIES 38
Section 9.01 Events of Default 38
Section 9.02 Mortgagee's Remedies 40
Section 9.03 Omnibus Provisions Pertaining to Mortgagee's Rights and Remedies 42

ARTICLE X MISCELLANEOUS 43
Section 10.01 Notices 43
Section 10.02 Usury Saving Clause 44
Section 10.03 No Joint Venture; No Third-Party Beneficiaries 44
Section 10.04 Mortgagee Approval 45
Section 10.05 Performance at Mortgagor's Expense 45
Section 10.06 Mortgagee's Right of Assignment 45
Section 10.07 No Merger 45
Section 10.08 After-Acquired Property 45
Section 10.09 Waiver of Jury Trial 45
Section 10.10 New York Statutory Provisions 46
Section 10.11 Amendments, Extensions, and Modifications 47
Section 10.12 Headings; Time of the Essence 47

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, FINANCING STATEMENT, AND FIXTURE FILING**

This Mortgage, Assignment of Leases and Rents, Security Agreement, Financing Statement, and Fixture Filing (as amended, amended and restated, supplemented, renewed, or otherwise modified from time to time, this "**Mortgage**"), is made as of the 26th day of May, 2026 ("**Effective Date**"), by **256 COUNTY ROUTE 117 PERTH LLC**, a Delaware limited liability company, having an address at c/o Vireo Growth Inc., 207 South 9th Street, Minneapolis, Minnesota 55402 ("**Mortgagor**") to **IIP-NY 2 LLC**, a Delaware limited liability company, having an address at 11440 West Bernardo Ct, Suite 100, San Diego, CA 92127 (together with its successors and assigns, "**Mortgagee**").

**Recitals**

A. This Mortgage is given by Mortgagor to Mortgagee to secure that certain loan made as of the Effective Date ("**Loan**") in the original principal amount of Forty-Nine Million and No/100 Dollars ($49,000,000.00).

B. The Loan is evidenced by, among other things, that certain Promissory Note, dated as of the Effective Date, given by Mortgagor, as borrower, in favor of Mortgagee, as lender (such promissory note, together with any and all extensions, renewals, replacements, restatements, modifications, or consolidations thereof, whether one or more, collectively, "**Note**").

C. The Loan is further secured by that certain Guaranty, dated as of the Effective Date, given by Vireo Growth Inc., a British Columbia, Canadian corporation ("**Guarantor**") in favor of Mortgagee, as lender ("**Guaranty**").

D. Mortgagee has been indemnified from environmental losses as more fully set out in that certain Environmental and Hazardous Substances Indemnity Agreement dated as of the Effective Date, given jointly by Guarantor, as principal, and Mortgagor, as borrower ("**Environmental Indemnity**").

E. The Note, this Mortgage, the Guaranty, the Environmental Indemnity, and all other documents and instruments delivered in connection with the Loan, as each may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, are collectively referred to herein as the "**Loan Documents**."

F. Mortgagor hereby desires to secure the payment of all principal and interest payments that accrue or are due and payable from time to time in accordance with the Note, together with all other amounts due in accordance with the other Loan Documents (collectively, hereafter "**Debt**") and to further secure the performance and observance of all obligations of Mortgagor under this Mortgage and the other Loan Documents.

G. The Debt and all covenants, obligations, payments, and liabilities of every kind and nature owed by Mortgagor to Mortgagee, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereinafter incurred, arising under, out of, or in connection with the Loan and the Loan Documents are hereafter, collectively referred to herein as "**Obligations.**"

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to secure the due and punctual payment and performance of all Obligations as and when the same become due and payable, Mortgagor hereby represents, warrants, covenants, and agrees for the benefit of Mortgagee as follows:

## ARTICLE I
## GRANT OF SECURITY INTERESTS AND OBLIGATIONS SECURED

**Section 1.01 Grant to Mortgagee.** In order to secure the due and punctual payment and performance of all the Obligations as and when the same shall become due, whether at the stated maturity, by acceleration, or otherwise, Mortgagor does hereby MORTGAGE, PLEDGE, BARGAIN, ASSIGN, TRANSFER, WARRANT, CONVEY, AND GRANT, to Mortgagee the following property, rights, interests, and estates, now owned or hereafter acquired by Mortgagor (collectively, "**Property**"):

(a) Land. All that certain tract or parcel of land lying and being in Fulton County, New York and being more particularly described in Exhibit A attached hereto and incorporated herein by reference, together with all utilities, rights, interests, and estates of every kind and nature therein, including, without limitation, and to the full extent owned by Mortgagor, development rights, air rights, water, water rights, and rights to minerals and other natural resources that can be extracted therefrom (collectively, "**Land**").

(b) Improvements. All buildings, structures, and improvements of every kind and nature whatsoever now or hereafter situated on the Land (collectively, "**Improvements**").

(c) Easements and Appurtenances. All easements, rights-of-way or use, strips and gores of land, streets, alleyways, passages, utility reservations, capacity rights, water courses, privileges, liberties, tenements, hereditaments, and appurtenances of any kind or nature belonging, relating, or appertaining to the Land or the Improvements, or any part thereof, including, without limitation, any reversionary or remainder estates together with the income and profits therefrom (collectively, "**Easements and Appurtenances**").

(d) Fixtures. All goods of every kind and nature that become attached to, affixed to, or installed on the Land or Improvements thereby creating rights and interests arising under the New York real property law, including any item defined as fixtures under the Uniform Commercial Code as adopted by New York State (the "**NY UCC**") together with all replacements and substitutions thereof (collectively, "**Fixtures**").

(e) Personal Property. All equipment, building systems, machinery, materials, supplies, and items of personal property of every kind and nature (other than Fixtures) now or hereafter located on or used in connection with the operation of the Land or Improvements, together with all replacements and substitutions thereof (collectively, "**Personal Property**").

(f) Leases and Rents. All Mortgagor's right, title, and interest in all leases, subleases, licenses and other agreements granting another the right to use or occupy any part of the Property including that certain agreement captioned "Lease Agreement" (collectively, and as may have been and may be amended from time to time, the "**Lease**") dated as of October 23, 2017 by and between Mortgagor, as landlord and Vireo Health of New York, LLC, a New York limited liability company ("**Tenant**"), including, without limitation, the right to receive and apply Rents (as hereinafter defined). The term "**Rents**" shall mean, collectively:

(i) All rents, additional rents, income, revenues, profits, cash proceeds, and other monetary benefits now due or hereafter becoming due under any Lease;

(ii) All guaranties, letters of credit, promissory notes, security deposits, and other credit support given by any tenant or guarantor, including the Tenant in connection with a Lease;

(iii) All claims and rights to the payment of damages arising from the rejection of any Lease under the Bankruptcy Reform Act of 1978, codified as 11 U.S.C. § 101 *et seq*., and the regulations issued thereunder, both as hereafter modified from time to time (the "**Bankruptcy Code**"); and

(iv) All rights to casualty and condemnation proceeds assigned to Mortgagor under any Lease.

(g) Property Tax Refunds. All refunds, rebates, and credits in connection with any reduction in Taxes (as hereinafter defined), including, without limitation, rebates as a result of tax certiorari or other such proceedings, except to the extent owed to the Tenant under the Lease. As used in the Loan Documents, "**Taxes**" means all real estate taxes, government assessments or impositions, lienable water charges, lienable sewer rents, assessments due under owner association documents, and all similar charges, now or hereafter levied or assessed against the Land and Improvements.

(h) Proceeds of Property Sale. All proceeds and profits arising from the sale or conversion (voluntary or involuntary) of any Property into cash (whether made in one payment or in a stream of payments) and any liquidation claims applicable thereto.

(i) Intangibles. All chattel paper, claims, trade names, trademarks, service marks, logos, copyrights, goodwill, books and records, and all other general intangibles related to or used in connection with the ownership or operation of the Property.

(j) Property Agreements. All agreements, service contracts, supply contracts, permits, franchises, and licenses (including, without limitation and to the extent assignable, liquor licenses), if any, pertaining to the ownership or operation of the Property, together with all amendments, restatements, supplements, renewals, extensions, and substitutions thereof and all Mortgagor's rights, if any, to sums due Mortgagor thereunder (collectively, "**Property Agreements**").

(k) Omnibus Rights. Any and all other rights of Mortgagor in and to the Property, including any other rights associated with any Property described in the foregoing subsections (a) through (j) inclusive.

TO HAVE AND TO HOLD the Property and the rights, remedies, and privileges hereby granted and conveyed unto Mortgagee forever, PROVIDED, HOWEVER, if Mortgagor shall pay the Debt and perform all other Obligations in the time and manner provided in the Loan Documents, then the conveyance and granting made herein shall cease and be of no further force and effect.

**Section 1.02 Obligations Secured; Incorporation by Reference**. This Mortgage is given to secure the due and punctual payment and performance of all Obligations set forth in the Note and other Loan Documents as and when the same shall become due, whether at the stated due date, at maturity, by acceleration, or otherwise. All the covenants, conditions, and agreements contained in the Note and other Loan Documents are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein. In the event of a conflict between the terms of this Mortgage and any other Loan Document, the terms of this Mortgage shall govern.

**Section 1.03 Mortgage as Security Agreement and Financing Statement**.

(a) Designation as Security Agreement. This Mortgage shall constitute a security agreement and financing statement within the meaning of the NY UCC with respect to all Mortgagor's present and future estate, right, title, and interest in and to such Property conveyed to Mortgagee pursuant to Section 1.01 that is not real property.

(b) Election of Remedies. With respect to Fixtures and Personal Property, upon the occurrence and during the continuance of an Event of Default (as hereinafter defined), Mortgagee shall have the right to proceed against the Fixtures and Personal Property either: (i) in accordance with Mortgagee's rights and remedies under this Mortgage, in which event the provisions of the NY UCC shall not govern; or (ii) separately from the Land in accordance with the NY UCC.

(c) Separate Security Agreements. If Mortgagor has executed and delivered one or more separate security agreements in connection with the Loan, such security agreements and the security interests created thereby are in addition to and not in substitution of this Mortgage and the Liens and security interests created hereby, and this Mortgage shall be in addition to and not in substitution of such security agreements and security interests. In all cases, this Mortgage and the aforesaid security agreements shall be applied and enforced in harmony with and in conjunction with each other to the end that Mortgagee realizes its rights, interests, and remedies in each to the greatest extent permitted by law. If conflicts exist among this Mortgage and such other security agreements, Mortgagee may elect which of such instruments govern with respect to each category of Property encumbered by such instruments and agreements.

**Section 1.04 Mortgage as Fixture Filing.** The filing or recording of this Mortgage shall constitute a fixture filing with respect to that portion of the Property which is or will become Fixtures and Personal Property to the fullest extent permitted under New York law. The "**Secured Party**" is Mortgagee, and the "**Debtor**" is Mortgagor. The name, type of organization, jurisdiction of organization, and addresses of the Secured Party and of the Debtor are set out in the preamble to this Mortgage. The organizational identification number of Mortgagor is set out on the signature page to this Mortgage.

## ARTICLE II
## ASSIGNMENT OF LEASES AND RENTS

**Section 2.01 Assignment of Leases and Rents**.

(a) Absolute Assignment of Leases and Rents. In furtherance of the grant, pledge, and conveyance of the Lease and Rents pursuant to Section 1.01(f) hereof, Mortgagor hereby absolutely, presently, irrevocably, and unconditionally grants, assigns, and transfers to Mortgagee, to the extent permitted by Applicable Law (as hereinafter defined), all Mortgagor's present and future right, title, interest, and estate in, to, and under all current and future Leases and Rents, and the absolute, present, irrevocable, and unconditional right to receive, collect, and possess all Rents. This assignment constitutes an absolute, present, irrevocable, and unconditional assignment of Leases and Rents, not merely a collateral assignment to further secure the lien of this Mortgage.

(b) Mortgagee Exculpation. Notwithstanding the present, absolute nature of the assignment made under this Article II, such assignment shall not be construed to:

(i) Bind Mortgagee to the performance of any of the covenants, conditions, or provisions contained in the Lease or otherwise impose any obligation upon Mortgagee.

(ii) Create or impose any responsibility, obligation, or liability upon Mortgagee of any kind or nature, including without limitation, for:

(A) the control, care, maintenance, management, or repair of the Property;

(B) any dangerous or defective condition of the Property, including, without limitation, the presence of any environmental contamination or hazardous condition;

(C) any waste committed on the Property by any Person; or

(D) any negligence in the management, upkeep, repair, or control of the Property.

**Section 2.02 Revocable License**.

(a) Grant of Revocable License. Notwithstanding the present grant, assignment, and transfer of the Leases and Rents from Mortgagor to Mortgagee made in Section 2.01, Mortgagee hereby grants to Mortgagor a revocable license to collect and receive Rents as they become due, and to retain, use, and apply Rents to the payment of the Obligations and to the costs and expenses of operating and maintaining the Property, and to exercise all rights as landlord under the Lease, in each case subject to the terms of this Mortgage and the other Loan Documents.

(b) Revocation of License. Upon the occurrence and during the continuance of an Event of Default, the revocable license granted to Mortgagor pursuant to Section 2.02(a) shall immediately cease without the necessity of notice from Mortgagee and become void and of no further force or effect. Notwithstanding the foregoing, if such Event of Default has been cured and such cure has been accepted in writing by Mortgagee, such revocable license shall be automatically reinstated. Mortgagee's right under this Section to revoke the revocable license granted hereby is in addition to all other rights and remedies available to Mortgagee at law and in equity. From and after revocation:

(i) Mortgagee shall immediately and automatically be entitled to receive, collect, and possess all Rents, whether or not Mortgagee enters upon or takes control of the Property, has a receiver appointed, or takes any other action permitted by the Loan Documents, at law, or in equity;

(ii) Mortgagor shall immediately, upon written demand by Mortgagee, notify the Tenant under the Lease (or any subsequent tenant under any Lease), in writing, that all Rents due from and after the date of such notice shall be paid to Mortgagee at the address set forth in such notice;

(iii) All Rents then or thereafter received by Mortgagor shall be immediately delivered to Mortgagee without the necessity of written demand, and until delivered, shall be held in trust for the benefit of Mortgagee; and

(iv) All Rents received by Mortgagee pursuant to this Section 2.02(b) may, at Mortgagee's option, be applied to the Debt or in payment of any other Obligation set forth in the Loan Documents, in such order or priority as Mortgagee shall determine in its sole discretion.

**Section 2.03 Mortgagee's Rights After License Revocation.** From and after any revocation of the license granted pursuant to Section 2.02(a), Mortgagee shall have the right, but not the obligation, at its option and in addition to its other rights and remedies available to Mortgagee under law, acting personally or through an agent, and without the necessity of taking possession of the Property or bringing any enforcement action or proceeding, including, without limitation, foreclosure, or the appointment of a receiver, to take any or all the following actions to the fullest extent permitted by law:

(a) Direct Payments of Rent. Notify Tenant that the Lease has been assigned to Mortgagee and that all Rents are to be paid at the direction of Mortgagee. The term "**Person**" means an individual, partnership, limited partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or any other entity of whatever nature.

(b) Modify Lease Obligations. Settle, compromise, release, extend the time of payment for, and make allowances, adjustments, and discounts of any Rents or other obligations in, to, and under the Lease.

(c) Rent the Property and Modify the Lease. Lease all or any part of the Property and/or modify, amend, renew, or terminate the Lease.

(d) Perform Lease Obligations. Perform any and all obligations of Mortgagor under the Lease and exercise any and all rights of Mortgagor therein contained to the full extent of Mortgagor's rights and obligations thereunder.

## ARTICLE III
## SINGLE PURPOSE ENTITY REQUIREMENTS

**Section 3.01 Formation and Existence.** Mortgagor hereby makes the following representations, warranties, and covenants.

(a) Mortgagor Formation and Existence. Mortgagor is a Single Purpose Entity (as hereinafter defined) and shall remain a Single Purpose Entity at all times until the Loan has been repaid in full.

(b) Organization Documents of Mortgagor. The organizational documents of Mortgagor shall contain all representations, warranties, covenants, and definitions contained in this Article III and shall not, without Mortgagee's prior written consent, be amended, rescinded, or revoked until the Loan is paid in full.

**Section 3.02 Separateness Covenants and Requirements**.

(a) Mortgagor Criteria. With respect to Mortgagor, the term "**Single Purpose Entity**" means a corporation, limited partnership, or limited liability company, which at all times since its formation and thereafter until the Loan has been repaid in full shall meet the following requirements:

(i) Is and shall remain organized solely for the purpose of owning, operating, and managing the Property and transacting such lawful business as may be incidental, necessary, or appropriate thereto.

(ii) Has not engaged and shall not engage in any business unrelated to the activities set forth in Section 3.02(a)(i).

(iii) Has not owned and shall not own any real property other than the Property.

(iv) Has not owned and shall not own any assets, other than the Property and Personal Property necessary or incidental to its ownership, operation, and management of the Property.

(v) Intentionally omitted.

(vi) If such entity is a single-member limited liability company such entity shall:

(A) be a Delaware limited liability company;

(B) intentionally omitted.

(C) not take any bankruptcy-related action and not cause or permit the members or managers of such entity to take any bankruptcy-related action; and

(D) have a natural Person or an entity that is not a member of the company, that has signed its limited liability company agreement and that, under the terms of such limited liability company agreement, becomes a member of the company immediately prior to the withdrawal or dissolution of the last remaining member of the company.

As used herein, the term "**Affiliate**" means, with respect to any Person: (a) any other Person which, directly or indirectly, is in Control of, is Controlled by, or is under common Control with, such Person; (b) any other Person who is a director or officer of (i) such Person, (ii) any subsidiary of such Person, or (iii) any Person described in clause (a); or (c) any corporation, limited liability company, or partnership which has as a director any Person described in clause (b).

As used herein, the term "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through ownership, voting rights, beneficial interest, by contract, or by any other means. This definition shall be construed to apply equally to variations of the defined term, including, without limitation terms such as "Controlled," "Controlling," or "Controlled by."

(vii) Intentionally omitted.

(viii) Has and shall preserve its existence as an entity duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation or organization, as the case may be.

(ix) Has observed and shall observe all partnership, corporate, or limited liability company formalities, as applicable.

(x) Has not and shall not amend its organizational documents in a manner that would violate the requirements of this Article III.

(xi) Has not and shall not merge or consolidate with any other Person.

(xii) Has not taken, and shall not take, any action to:

(A) dissolve, wind up, terminate, or liquidate;

(B) sell, transfer, or otherwise dispose of all or substantially all its assets; or

(C) change its legal structure (other than in connection with a Permitted Transfer (as hereinafter defined)), or permit the direct or indirect transfer of any partnership, membership, or other Equity Interests, as applicable, other than a Permitted Transfer.

As used herein, the term "**Equity Interest**s" means, as applicable: (a) partnership interests (whether general or limited) in an entity which is a partnership; (b) membership interests in an entity which is a limited liability company; or (c) the shares of stock interests in an entity which is a corporation.

(xiii) Has not and shall not, without the unanimous written consent of all Mortgagor's partners, members, or shareholders, as applicable:

(A) file or consent to the filing of any petition, either voluntary or involuntary, availing itself of any insolvency, bankruptcy, liquidation, or reorganization statute;

(B) seek or consent to the appointment of a receiver, liquidator, or similar fiduciary; or

(C) make an assignment for the benefit of creditors.

(xiv) Has not formed, acquired, or held and shall not form, acquire, or hold any subsidiary.

(xv) Has held and shall hold its assets in its own name.

(xvi) Has not commingled and shall not commingle its funds or assets with those of any other Person and has not assigned and shall not assign its interest in Leases and Rents to any other Person.

(xvii) Has not incurred and shall not incur any debt, secured or unsecured, direct or contingent, other than (A) the Loan, (B) any Permitted Additional Financing (as hereinafter defined), and (C) customary unsecured trade payables incurred in the ordinary course of owning and operating the Property and as otherwise approved in writing by Mortgagee. As used herein, "**Permitted Additional Financing**" means any loan or other financing secured by a second priority mortgage and security interest in the Property or any interest therein ("**Outside Financing**"), provided that: (A) Mortgagor has provided Mortgagee with not less than fifteen (15) Business Days' prior written notice of such Outside Financing, together with copies of all material documentation related thereto; (B) any such Outside Financing shall be subordinate in all respects to the Loan Documents; (C) the lender providing such Outside Financing (the "**Junior Lender**") shall have entered into a commercially reasonable form of intercreditor agreement with Mortgagee pursuant to which the Junior Lender agrees that (1) its claim on the Property is secondary to Mortgagee's claim, and (2) the Junior Lender shall not be entitled to receive any principal payments under the Outside Financing until Mortgagee has been paid in full under the Loan Documents; provided, however, that notwithstanding the foregoing, regularly scheduled interest payments to the Junior Lender shall be permitted; (D) no monetary default or any other Event of Default has occurred and is continuing at the time such Outside Financing is incurred; and (E) Mortgagor remains in compliance with all covenants under the Loan Documents after giving effect to such Outside Financing. Notwithstanding the foregoing, the second priority loan from Chicago Atlantic Lincoln, LLC (or its affiliates) ("**Chicago Atlantic**") to Mortgagor defined as the "Subordinated Indebtedness" in the Intercreditor Agreement entered into concurrently herewith among Mortgagee, Mortgagor, Chicago Atlantic Financial Services, LLC, as Administrative Agent, and Chicago Atlantic and the liens securing the Subordinated Indebtedness are hereby approved by Mortgagee as a Permitted Additional Financing and shall be subject only to clause (B) above.

(xviii) Has maintained and shall maintain its records, books of account, bank accounts, financial statements, accounting records, and other entity documents separate and apart from those of any other Person; and in connection with any of its financial statements:

(A) has shown and shall show its assets and liabilities separate and apart from those of any other Person;

(B) has not permitted and shall not permit its assets to be listed as assets on the financial statement of any of its Affiliates except as required by generally accepted accounting principles ("**GAAP**"); provided, however, that any such consolidated financial statement contains a note indicating that its separate assets and credit are not available to pay the debts of such Affiliate and that its liabilities do not constitute obligations of the consolidated entity; and

(C) has listed and shall list such assets on its balance sheet, as applicable.

(xix) Other than capital contributions and distributions authorized under the terms of its organizational documents, has not entered into or been a party to, and shall not enter into or be a party to, any contract, agreement, or transaction with any of its partners, members, shareholders, principals, or Affiliates except in the ordinary course of its business and on commercially reasonable terms comparable to those of an arm's-length transaction with an unrelated third party.

(xx) Has not acquired and shall not acquire obligations or securities of its partners, members, or shareholders or any other owner or Affiliate.

(xxi) Has maintained and shall maintain its assets in such a manner that it shall not be costly or difficult to segregate, ascertain, or identify its individual assets from those of any other Person.

(xxii) Has not assumed, guaranteed, or become obligated and shall not assume, guarantee, or become obligated for the debts of any other Person, except as provided by the Loan Documents.

(xxiii) Has not pledged its assets or held out its credit and shall not pledge its assets or hold out its credit as being available to satisfy the obligations of any other Person, except as provided by the Loan Documents or in connection with any Permitted Additional Financing.

(xxiv) Has not made and shall not make any loans or advances to any other Person.

(xxv) To the extent required under Applicable Law, has filed and shall file its own income tax returns, except to the extent that it is required by law to file consolidated tax returns.

(xxvi) Has held itself out and shall hold itself out as a separate and distinct entity under its own name (or in a name franchised or licensed to it) and not as a division or part of any other Person.

(xxvii) Has corrected and shall correct any known misunderstanding regarding its separate identity.

(xxviii) After deducting Operating Expenses (as hereinafter defined) from operating income generated by the Property, Mortgagor:

(A) has remained and shall remain solvent;

(B) has paid and shall pay its debts and liabilities from its assets as the same become due; and

(C) has maintained and shall maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations.

(xxix) Has maintained and used and shall maintain and use separate stationery, invoices, and checks bearing its own name and not bearing the name of any other entity unless such entity is clearly designated an agent.

(xxx) Has fairly and reasonably allocated and shall fairly and reasonably allocate any expenses or obligations that are shared with any Affiliates, constituents, owners, or Guarantors, or any Affiliate of any of the foregoing, including, but not limited to, paying for shared office space and for services performed by any employee of any of them.

(xxxi) Has paid and shall pay its own liabilities and expenses, including the salaries of its own employees, out of its own funds and assets.

As used herein, "**Operating Expenses**" means all cash expenses actually incurred by or charged to Mortgagor (appropriately prorated for expenses that, although actually incurred in a particular period, also relate to other reporting periods), with respect to the ownership, operation, leasing, and management of the Property in the ordinary course of business, determined in accordance with GAAP or other method approved by Mortgagee and as adjusted by Mortgagee in accordance with its customary underwriting procedures and policies then in effect. The term Operating Expenses shall specifically exclude, however: (a) costs of tenant improvements and leasing commissions; (b) capital expenditures; (c) depreciation; (d) principal payments made under the Loan; (e) costs of restoration following a Casualty or Condemnation (as those terms are hereinafter defined); and (f) any other noncash items.

## ARTICLE IV
## REPRESENTATIONS AND WARRANTIES

Mortgagor acknowledges and agrees that in making the Loan evidenced by the Loan Documents, Mortgagee has relied on the truth, completeness, and accuracy of the representations and warranties made by Mortgagor herein. Mortgagor hereby makes the representations and warranties contained in this Article IV to Mortgagee as of the Effective Date.

**Section 4.01 Organization and Legal Status**.

(a) Due Formation, Existence, and Good Standing. Mortgagor is duly organized, validly existing, and in good standing under the laws of its state of formation. Mortgagor is a Single Purpose Entity pursuant to the terms, covenants, and conditions contained in Article III of this Mortgage.

(b) Single Purpose Entity Status.

(i) Mortgagor is and will continue to be a Single Purpose Entity at all times until the Loan is paid in full.

(ii) Mortgagor has delivered to Mortgagee a chart depicting its organizational structure, which chart is true, complete, and correct in all material respects.

(iii) The single purpose entity provisions included in the organizational documents of Mortgagor shall not, without Mortgagee's prior written consent, be amended, rescinded, or otherwise revoked until the Loan has been paid in full.

(c) Qualification to do Business. Mortgagor is duly qualified to transact business in New York.

(d) Legal Authority to Own Property. Mortgagor has all necessary approvals (governmental, contractual, or otherwise) and full power and authority to own, operate, and lease the Property and to carry out the business required to be conducted to own, operate, and lease the Property in full accordance with the terms, covenants, and conditions contained in the Loan Documents.

(e) Mortgagor's Identity. Mortgagor's true, complete, and correct legal name is stated on the first page of this Mortgage. Mortgagor is a "registered organization" within the meaning of the NY UCC and Mortgagor's organizational identification number issued by its state of organization is correctly set out on the signature page to this Mortgage.

**Section 4.02 Power and Authority; Enforceability**.

(a) Power and Authority. Mortgagor has full power, authority, and legal right to execute, deliver, and perform all obligations under the Loan Documents and has taken all necessary action to authorize: (i) the borrowing of the Loan on the terms and conditions set forth in the Loan Documents; (ii) the execution and delivery of all Loan Documents; and (iii) Mortgagor's performance under all Loan Documents. The officer or representative of Mortgagor signing the Loan Documents on behalf of Mortgagor has been duly authorized and empowered to do so.

(b) Enforceability. The Loan Documents constitute legal, valid, and binding obligations of Mortgagor, enforceable against Mortgagor in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

**Section 4.03 No Legal Conflict or Impediment.** With respect to Mortgagor's execution, delivery, and performance of its obligations under the Loan Documents the following is true, accurate, and complete in all material respects to the best of Mortgagor's knowledge:

(a) Third-Party Agreements. The Loan does not violate, contravene, breach, or result in a default under any agreement or instrument to which Mortgagor is a party or by which the Property is bound or may be affected.

(b) Applicable Law; Usury. The Loan does not violate any Applicable Law (including, without limitation, usury laws). As used in the Loan Documents, the term "**Applicable Law**" means individually and in the aggregate: (i) the organizational documents governing the applicable Person; and (ii) any law, regulation, ordinance, code, decree, treaty, ruling, or determination of any arbitrator, court, governmental authority, or Executive Order (as hereinafter defined) issued by the President of the United States, in each case applicable to or binding upon such Person or to which such Person or any of such Person's property (including without limitation, the Property) may be subject including, without limitation, laws, ordinances, and regulations pertaining to the taxing, zoning, occupancy, use, environmental compliance, and subdivision of real property in New York.

(c) No Other Resulting Liens. The Loan does not result in the creation or imposition of any Lien whatsoever upon any of Mortgagor's assets, except the Lien created by the Loan Documents. As used in the Loan Documents, the term "**Lien**" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien filing (whether statutory, judicial, or otherwise), preference, priority, security agreement (other than this Mortgage or any security agreement entered into in connection with a Permitted Additional Financing), or preferential arrangement of any kind or nature whatsoever, including, without limitation, any conditional sale or title retention agreement, mechanic's liens, or any financing statement under the NY UCC or comparable law of any jurisdiction in respect of any of the foregoing.

(d) No Other Consents or Filings. The Loan does not require any authorization or consent from, or any filing with, any third party or governmental authority to perfect Mortgagee's security interest in the Property except for: (i) the recordation of this Mortgage in the appropriate land records in the county where the Property is located; and (ii) the filing or recording (as applicable) of UCC-1 financing statements securing or further securing Mortgagee's security interests in personal property and fixtures filed in the appropriate filing offices in the state of Mortgagor's formation and also recorded in the county where the Property is located.

**Section 4.04 No Litigation.** No action, suit, or proceeding, whether investigative, judicial, or administrative is currently pending or, to the best of Mortgagor's knowledge, information, and belief, affecting, threatened, or contemplated against Mortgagor, any Guarantor, or the Property that has not been disclosed by Mortgagor in writing to Mortgagee.

**Section 4.05 Business Purpose of Loan.** The proceeds of the Loan are for, and shall be used for, the purpose of carrying on a business or commercial enterprise and not for personal, family, or household purposes.

**Section 4.06 Warranty of Title; Perfection and Priority of Lien; Permitted Encumbrances**.

(a) Warranty of Title. Mortgagor has fee simple title of record to the Property, free and clear of all Liens whatsoever except for the Liens created in favor of Mortgagee pursuant to the Loan Documents, the Permitted Encumbrances (as hereinafter defined), and any Lien created in connection with a Permitted Additional Financing. None of the Permitted Encumbrances, individually or in the aggregate: (i) interferes in any material respect with the benefits of the security intended to be provided by this Mortgage; (ii) materially adversely affects the value of the Property; or (iii) materially adversely impairs the use and operation of the Property. Mortgagor shall forever preserve its title to the Property and validity of all Liens created in favor of Mortgagee under the Loan Documents and shall forever warrant and defend the same to and for the benefit of Mortgagee against all claims of all others. The term "**Permitted Encumbrances**" means only those matters listed as exceptions on the mortgagee title insurance policy issued to Mortgagee in connection with this Loan, any Lien created in connection with this Loan or a Permitted Additional Financing, and any other Lien thereafter approved by Mortgagee in writing.

(b) Perfection and Priority of Lien.

(i) This Mortgage, when properly recorded, creates a valid, first priority, perfected lien on the Property, subject only to the Permitted Encumbrances.

(ii) Each UCC financing statement, when filed or recorded, as applicable, creates a valid, perfected security interest, in the collateral defined therein (to the extent a security interest in such collateral can be perfected by the filing of a UCC financing statement).

**Section 4.07 Property Condition.** To Mortgagor's actual knowledge: (i) the Improvements are structurally sound, in good repair, and free of defects in materials and workmanship; (ii) the Improvements have been constructed and installed in compliance in all material respects with the plans and specifications relating thereto; (iii) all major building systems within the Improvements (including, without limitation, heating and air-conditioning systems, electrical systems, plumbing systems, septic systems, and sewer systems) are in good working order and condition and in compliance with Applicable Law in all material respects; (iv) the Property is free from any material damage caused by fire or other casualty; and (v) Mortgagor has not received written notice from any insurance company or bonding company of any defects or inadequacies in the Property, or any part thereof, which would materially adversely affect insurability, or impose extraordinary premiums, or result in the termination or threatened termination of any insurance policy or surety bond.

**Section 4.08 No Condemnation.** No Condemnation proceeding has been commenced or, to the best of Mortgagor's knowledge, information, and belief, is contemplated for all or any portion of the Property, or for the relocation or closure of roadways providing access to or from the Property.

**Section 4.09 Environmental Representations and Warranties; Property Compliance with Law**.

(a) Environmental Representations and Warranties. Neither Mortgagor nor, to the best of Mortgagor's knowledge, any tenant or occupant of the Property, has during Mortgagor's period of ownership or control of the Property released or permitted the presence of any Hazardous Substances (as defined in the Environmental Indemnity) on or about the Property except (a) as expressly disclosed to Mortgagee in writing, or (b) Hazardous Substances in customary amounts that are in compliance with Environmental Laws and used in the ordinary operation and maintenance of the Property. All operations and activities at the Property, and all use and occupancy of the Property are in compliance, in all material respects, with all Environmental Laws, as defined in the Environmental Indemnity. Mortgagor does not know of, nor has it received, any written notice from any Person pertaining to any violation of or liability under Environmental Laws that may materially adversely affect the Property or Mortgagor. Mortgagor has provided Mortgagee, in writing, with all material information known to Mortgagor and contained in Mortgagor's files that relates to the Property's environmental condition, including, without limitation, all known environmental reports of the Property in Mortgagor's possession or control.

(b) Property Compliance with Law. The Property and its present and contemplated use and occupancy comply with Applicable Law in all material respects. Mortgagor has obtained all licenses, permits, registrations, certificates, and approvals from all governmental or quasi-governmental agencies (including, without limitation, those relating to zoning, building codes, land use, and environmental compliance) which may be necessary for the use, occupancy, and operation of the Property and the conduct of Mortgagor's business thereon. All licenses, permits, registrations, certificates, and approvals are in full force and effect as of the date hereof and Mortgagor has no knowledge or notice of any revocation thereof. To Mortgagor's knowledge, no event or condition exists which could reasonably be expected to result in the revocation, suspension, or forfeiture thereof.

**Section 4.10 Separate Tax Lot.** The Property is assessed for real estate tax purposes as one or more wholly independent tax lot or lots, separate from any adjoining land or improvements not constituting a part of the Property.

**Section 4.11 Flood Zone.** Except as otherwise disclosed on the survey of the Property provided to Mortgagee in connection with the Loan, no portion of the Improvements is located in an area identified by the Federal Emergency Management Agency or any successor thereto, as an area having special flood hazards.

**Section 4.12 Adequate Utilities.** The Property is adequately served by all utilities required for the current or contemplated use thereof. All water and sewer systems are provided to the Property by public utilities, and the Property has accepted or is equipped to accept such utility services.

**Section 4.13 Public Access.** All public roads and streets necessary for access to the Property for the current or contemplated use thereof have been completed, are serviceable and all-weather, and are physically and legally open for public use.

**Section 4.14 Boundaries.** To the best of Mortgagor's knowledge, all the Improvements lie wholly within the boundaries and building restriction lines of the Property, and no easements or other encumbrances affecting the Property (including, without limitation, the Permitted Encumbrances) encroach upon any of the Improvements. No improvements on adjacent properties encroach onto the Property.

**Section 4.15 Mechanic's Liens.** No mechanic's liens, materialman's liens, or other Liens or claims have been, or may be, filed for work, labor, or materials affecting the Property which are or may become Liens prior, equal, or subordinate to this Mortgage.

**Section 4.16 Special Assessments; Transfer Taxes; and Mortgage Recording Taxes.** No unpaid assessments for public improvements or otherwise affect the Property or, to the best of Mortgagor's knowledge, information, and belief, are pending, nor are improvements contemplated to the Property that may result in any such assessments. All transfer taxes, if applicable, and mortgage recording taxes, or other similar tax required to be paid by any Person under Applicable Law in connection with the execution, delivery, recordation, filing, and perfection of this Mortgage and any other Loan Documents, have been paid or will be paid, in full on or before recordation of this Mortgage.

**Section 4.17 Insurance.** Mortgagor has obtained and delivered to Mortgagee original or certified copies of all insurance policies required pursuant to Section 5.03 of this Mortgage. All premiums charged for the coverages under such policies ("**Insurance Premiums**") have been prepaid in full for not less than one year. No claims have been made that are pending under any such insurance policies, and neither Mortgagor nor any other Person has done, by act or omission, anything which would impair the coverage of any insurance policy.

**Section 4.18 Leases.** With respect to the Lease:

(a) The Lease. As of the Effective Date, the Property is not subject to any Leases other than the Lease. All Rents due under the Lease are currently paid, except as may have been disclosed to Mortgagee in writing.

(b) Delivery of all Leases; Lease Form. Mortgagor has delivered to Mortgagee a true and complete copy of the Lease affecting the Property and the standard form of lease used to let the Property, if any. There are no verbal or written agreements existing which terminate, modify, or supplement the Lease, except as disclosed to Mortgagee in writing.

(c) Lease Subordination. The Lease is subordinate to the lien of this Mortgage either by its terms or by separate written agreement executed and delivered by the tenant under the Lease.

(d) Owner of Leasehold Interests. Mortgagor is the sole owner, as landlord, of the leasehold estates created under the Lease. Mortgagor has not assigned, pledged, transferred, or encumbered its right, title, or interests in and to the Leases and Rents, except to Mortgagee pursuant to this Mortgage, or in connection with a Permitted Additional Financing.

(e) Intentionally omitted.

(f) No Prepaid Rent. No Rents on the Lease have been collected for more than one (1) month in advance. For purposes of this subsection, security deposits held by Mortgagor in respect of the Lease shall not be deemed prepaid Rents.

(g) Security Deposits. Any security deposit under the Lease has been collected and is being held by Mortgagor in the full amount provided under the Lease and in compliance with all requirements of Applicable Law.

(h) No Tenant Improvements Required. To Mortgagor's knowledge, all work required to have been performed by Mortgagor under the Lease has been fully performed and unconditionally accepted by the Tenant under the Lease.

(i) No Offsets or Defenses. To Mortgagor's knowledge, no offsets or defenses exist in favor of Tenant to the payment of any portion of the Rents.

(j) No Monetary Obligation to Tenant. Mortgagor owes no monetary obligation to the Tenant under the Lease.

(k) No Notice of Dispute. Mortgagor has not received a written notice of default from any tenant or any other written notice disputing the terms, validity, or enforceability of the Lease or any provision thereof.

(l) No Tenant Default or Bankruptcy. The Lease is in full force and effect, and no default or event of default exists under the Lease, and no circumstance which with the passage of time, or the giving of notice, or both, would constitute a default or event of default (in each case after the expiration of applicable notice and cure periods) under the Lease exists. To Mortgagor's knowledge, information, and belief, the Tenant is not a debtor in any bankruptcy, reorganization, insolvency, or similar proceeding.

(m) Intentionally omitted.

(n) No Broker's Commissions. No broker's commissions, finder's fees, or similar payment obligations are due and unpaid by Mortgagor (or any Affiliate of Mortgagor) with respect to the Lease except as expressly disclosed to Mortgagee in writing.

**Section 4.19 Property Management.** The Property is self-managed by Mortgagor and no Person, other than Mortgagor, has authority to collect rents, negotiate leases, or take any other action with respect to the use, operation, or management of the Property.

**Section 4.20 Financial Condition**.

(a) Solvency. Mortgagor is currently solvent and has received reasonably equivalent value in exchange for the Loan and the Liens and security interests granted to or in favor of Mortgagee in connection with the Loan. Mortgagor has not entered into this Loan with the intent to hinder, delay, or defraud any creditor. Immediately following the making of the Loan, the fair saleable value of Mortgagor's assets shall be greater than Mortgagor's known liabilities.

(b) No Change in Financial Condition. Since the date of its formation, Mortgagor has not filed or consented to the filing of any petition, either voluntary or involuntary, in any proceeding seeking the insolvency, bankruptcy, liquidation, or reorganization of Mortgagor. Since the date of the most recent statements submitted to Mortgagee with respect to Mortgagor and Guarantor, no change has occurred in the financial condition of any such party that would make the financial statements, reports, certificates or other documents submitted in connection with the Loan inaccurate, incomplete, or otherwise misleading in any material respect or which would have a Material Adverse Effect (as hereinafter defined) on Mortgagor's ability to own, operate, or lease the Property.

**Section 4.21 Real Property and Income Taxes**.

(a) Real Property Taxes. All real property taxes due and owing in respect of the Property have been paid, or if outstanding, an escrow of funds in an amount sufficient to cover such payments has been established and insured against under Mortgagee's title insurance policy.

(b) Income Taxes. Mortgagor has filed all federal, state, county, municipal, and city income tax returns required and has paid all taxes and related liabilities which have become due pursuant to such returns. Mortgagor has no known tax liability in respect of any such taxes and related liabilities for tax periods prior to the Effective Date of this Mortgage.

**Section 4.22 No Foreign Person.** Mortgagor is not a "foreign Person" within the meaning of §1445(f)(3) of the Internal Revenue Code of 1986, as amended.

**Section 4.23 No Illegal Activity as Source of Funds.** No portion of the Property has been or shall be purchased, improved, equipped, or furnished with proceeds of any illegal activity.

**Section 4.24 Compliance with Anti-Terrorism, Embargo, Sanctions, and Anti-Money Laundering Laws**.

(a) Compliance with Laws. Each of Mortgagor, and Guarantor is in compliance with: (i) the Office of Foreign Assets Control sanctions and regulations promulgated under the authority granted by the Trading with the Enemy Act, 12 U.S.C. §§ 4301 *et seq*. ("**OFAC**"); (ii) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq*., as the same apply to it or its activities; and (iii) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended from time to time ("**USA PATRIOT Act**") and all rules and regulations promulgated under the USA PATRIOT Act applicable to any of them. Mortgagor agrees to confirm the representations and warranties made in this Section in writing to Mortgagee or any designee of Mortgagee from time to time, upon reasonable request. In furtherance thereof:

(i) Neither Mortgagor nor Guarantor is now, or has ever been, under investigation by any governmental authority for, or has been charged with or convicted of, a crime under 18 U.S.C. §§ 1956 or 1957 or any predicate offense thereunder;

(ii) Neither Mortgagor nor Guarantor has ever been assessed a civil penalty under any anti-money laundering laws or predicate offenses thereunder;

(iii) Neither Mortgagor nor Guarantor has had any of its funds seized, frozen, or forfeited in any action relating to any anti-money laundering laws or predicate offenses thereunder;

(iv) Mortgagor and Guarantor have taken such steps and implemented such policies as are reasonably necessary to ensure that it is not promoting, facilitating, or otherwise furthering, intentionally or unintentionally, the transfer, deposit, or withdrawal of criminally derived property, or of money or monetary instruments which are (or which such party has reason to believe are) the proceeds of any illegal activity or which are intended to be used to promote or further any illegal activity; and

(v) Mortgagor and Guarantor have taken such steps and implemented such policies as are reasonably necessary to ensure that it is in compliance with all laws and regulations applicable to its business for the prevention of money laundering and with anti-terrorism laws and regulations, with respect both to the source of funds from its investors and from its operations, and that such steps include the development and implementation of an anti-money laundering compliance program within the meaning of Section 352 of the USA PATRIOT Act, to the full extent such a party is required to develop such a program under the rules and regulations promulgated pursuant to Section 352 of the USA PATRIOT Act.

(b) No Dealings with Embargoed Persons. No assets of Mortgagor constitute property of, or are beneficially owned, directly or indirectly, by any Person subject to trade restrictions under U.S. law (individually or collectively, an "**Embargoed Person**") including but not limited to: (i) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq*.; (ii) the Trading with the Enemy Act, 50 U.S.C. §§ 4301 *et seq*.; and (iii) any Executive Orders or regulations promulgated thereunder. No Embargoed Person has any interest of any nature whatsoever in Mortgagor (whether directly or indirectly); and none of the funds of Mortgagor have been derived from any unlawful activity such that neither an investment in Mortgagor (whether directly or indirectly) nor the execution, delivery, and performance of this Mortgage or any of the Loan Documents and transactions contemplated hereby or thereby is in violation of law.

(c) No Dealings with Prohibited Persons. None of Mortgagor, or Guarantor, and to the best of Mortgagor's knowledge, information, and belief, after having made reasonable inquiry, neither (i) any Person owning an interest of ten percent (10%) or more in any of them, nor (ii) the Tenant, is a Prohibited Person. As used in the Loan Documents, the term "**Prohibited Person**" shall mean any Person:

(i) Listed in the Annex to, or otherwise subject to the provisions of, that certain Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism ("**Executive Order**");

(ii) Named as a "specifically designated national (SDN)" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website (https://www.treasury.gov/ofac/downloads/sdnlist.pdf) or at any replacement website or other replacement official publication of such list or that is named on any other governmental authority list;

(iii) Acting, directly or indirectly, in contravention of any anti-money laundering law, with terrorist organizations or narcotics traffickers, including those Persons that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Financial Action Task Force on Money Laundering, U.S. Office of Foreign Assets Control, U.S. Securities and Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, all as may be amended or superseded from time to time; or

(iv) That is owned or controlled by, or acting for or on behalf of, any Person described in clause (i), (ii), or (iii) above.

**Section 4.25 Brokers' and Finders' Fees.** Mortgagor has not engaged or used any broker, placement agent, or finder in connection with the transaction evidenced by the Loan Documents who may be owed a commission or other compensation other than those paid and shown on the official closing statement signed by Mortgagor and delivered as of the Effective Date ("**Closing Statement**").

**Section 4.26 Complete Disclosure; No Change in Facts or Circumstances.** To the best of Mortgagor's knowledge, Mortgagor has disclosed to Mortgagee all material facts and has not failed to disclose any material fact that could cause any representation or warranty made herein to be materially inaccurate, incomplete, or misleading. All information provided in or supplied with the application for the Loan, or in satisfaction of the terms thereof, remains true, complete, and correct in all material respects as of the date provided, and no adverse change in any condition or fact has occurred that would make any information, representation, or warranty materially inaccurate, incomplete, or misleading.

**Section 4.27 ERISA Compliance.** Mortgagor is not and will not be an "employee benefit plan" as defined in § 3(3) of ERISA, subject to Title I of ERISA. None of the assets of Mortgagor constitute or will constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. § 2510.3-101. Mortgagor is not and will not be a "governmental plan" within the meaning of § 3(32) of ERISA.

**Section 4.28 Survival.** The representations and warranties contained in this Article IV shall survive for so long as the Loan shall remain payable, or any Obligation shall remain subject to performance.

## ARTICLE V
## MORTGAGOR COVENANTS AND LOAN REQUIREMENTS

**Section 5.01 Property Covenants and Requirements**.

(a) Obligation to Pay Taxes and Property Charges. Mortgagor shall promptly and fully pay all Taxes and Property Charges (as hereinafter defined) now or hereafter assessed or levied against the Property prior to the delinquency thereof. As used in the Loan Documents, the term "**Property Charges**" means all ground rents, maintenance charges, impositions (other than Taxes) and similar charges, including, without limitation, fees for the use of vaults, chutes, and adjoining areas, now or hereafter assessed or imposed against the Property, or any part thereof, together with any penalties thereon. Except to the extent funds sufficient to fully pay such charges have been deposited into the Tax Escrow Account established under Section 6.01 hereof, Mortgagor shall furnish to Mortgagee, upon reasonable request, evidence reasonably satisfactory to Mortgagee that all Taxes and other Property Charges have been paid and are not delinquent.

(b) Obligation to Discharge Liens. Mortgagor shall within twenty-five (25) days cause to be paid and discharged (or bonded over) any Lien or charge which may be or become a Lien against the Property, including, without limitation, mechanic's liens, materialman's liens, judgments, and tax liens, other than those permitted under the Loan Documents. After prior written notice to Mortgagee, Mortgagor, at its own expense, may contest the amount, validity, or application, in whole or in part, of any Taxes, Property Charges, or Liens by appropriate legal proceeding, promptly initiated and conducted expeditiously in good faith with proper due diligence, provided that:

(i) No Event of Default has occurred and is continuing under the Loan;

(ii) Such proceeding either suspends the collection of such amounts, or if not suspended, Mortgagor establishes an escrow with Mortgagee in an amount equal to one hundred twenty-five percent (125%) of the lien;

(iii) Such proceeding does not put the Property in danger of being sold for such delinquency;

(iv) Such proceeding is conducted in accordance with law and is not prohibited under any other agreement or obligation to which Mortgagor or the Property is subject; and

(v) Mortgagor shall furnish to Mortgagee all other items and information reasonably requested by Mortgagee.

(c) Maintenance of Property. Mortgagor shall maintain the Property in a good and safe condition and repair.

(i) Removal, Demolition, and Material Alteration. No portion of the Property shall be removed, demolished, or materially altered without Mortgagee's prior written consent, not to be unreasonably withheld, conditioned, or delayed.

(ii) Waste. Mortgagor shall not commit or suffer any intentional material physical waste of the Property or do or permit to be done thereon anything that may in any way materially impair the value of the Property, materially increase the risk of fire or other hazard on the Property, or invalidate or allow the cancellation of the insurance coverage required to be maintained by Mortgagor hereunder.

(d) Use of Property. Mortgagor shall not allow material changes in the use of the Property without Mortgagee's prior written consent, not to be unreasonably withheld, conditioned, or delayed. Mortgagor shall not initiate, join in, consent to any change in, or seek any variance under any private restrictive covenant or zoning or land use ordinance limiting or defining the uses which may be made of the Property. If use of all or any portion of the Property is or shall become a nonconforming use, Mortgagor will not cause or permit the nonconforming use to be discontinued or the nonconforming portion of the Property to be abandoned without Mortgagee's prior written consent, which is not to be unreasonably withheld, conditioned, or delayed.

(e) Compliance with Laws; Environmental Compliance. Mortgagor shall promptly and fully comply with Applicable Law now or hereafter affecting the Property, including, without limitation all Environmental Laws (as defined in the Environmental Indemnity). Mortgagor shall do or cause to be done all things reasonably necessary to preserve, renew, and keep in full force and effect all rights, licenses, permits, and franchises required for the operation of the Property. Mortgagor shall not commit, permit, or suffer to exist any act or omission leading to forfeiture of the Property or any part thereof, or the rents and income derived therefrom. Mortgagor shall notify Mortgagee promptly of Mortgagor's knowledge or receipt of any notice relating to a violation of any Applicable Law, or of the commencement of any proceedings or investigations which relate to compliance with Applicable Law. Upon Mortgagee's written request, Mortgagor shall provide Mortgagee with copies of all notices, reports, or other documents relating to any litigation or governmental investigation relating to Mortgagor or the Property.

(f) Compliance with Property Agreements. Mortgagor shall observe and perform in a timely manner each and every obligation to be observed or performed by Mortgagor pursuant to the terms of any agreement or recorded instrument affecting or pertaining to the Property or used in connection with the operation of the Property including, without limitation, the Property Agreements.

(g) Property Management. Mortgagor shall manage the Property in a commercially reasonable manner. Mortgagor shall not enter into any property management agreement without the prior written consent of Mortgagee, not to be unreasonably withheld, conditioned, or delayed. Mortgagee shall have the right to approve both the property manager and the terms of any property management agreement, such approval not to be unreasonably withheld, conditioned, or delayed. Mortgagee's approval may be conditioned, inter alia, upon receiving an assignment and subordination of the property management agreement on such form as approved by Mortgagee in its reasonable discretion. In such assignment and subordination agreement Mortgagor shall assign all its rights and interests in the property management agreement and the property manager shall subordinate its rights and interests, including, without limitation, its rights to any management fees. Each of Mortgagor and the property manager shall further acknowledge among other rights, Mortgagee's right to terminate the property management agreement upon the occurrence and during the continuance of an Event of Default.

**Section 5.02 Leasing Covenants.** Mortgagor shall observe and perform all obligations imposed upon the landlord under the Lease and any other Leases now existing or hereinafter entered into and shall not do or permit to be done anything to impair the value of any of the Leases. Upon Mortgagee's request, Mortgagor shall promptly send Mortgagee copies of all default notices sent or received by Mortgagor under any Lease (other than residential Leases). Mortgagor shall enforce all terms, covenants, and conditions contained in the Leases in a commercially reasonable manner and shall not collect any Rents more than one (1) month in advance (other than a security deposit). Pursuant to Article II hereof, Mortgagor has assigned Mortgagee all its rights and interest in the Lease and Rents and shall not further assign or pledge its interests in the Lease or Rents, except in connection with this Loan or a Permitted Additional Financing. Mortgagor acknowledges and agrees that Mortgagee's consent, not to be unreasonably withheld, conditioned, or delayed, shall be required in connection with all proposed new Leases and material amendments and supplements to the Lease.

**Section 5.03 Insurance Coverages.** Mortgagor shall obtain and maintain at its own expense during the term of the Loan such insurance coverages (including, without limitation, the policy type, minimum coverage amounts, maximum deductibles, and acceptable exclusions) as Mortgagor shall deem reasonably necessary considering, among other things, the location, use, and occupancy of the Property and shall comply with all terms, covenants, and obligations in Article VII with respect to any proceeds thereof in the event of a Casualty or Condemnation. Mortgagee reserves the right to periodically review and modify the insurance requirements hereunder in Mortgagee's reasonable discretion, provided that any such modifications shall be consistent with insurance requirements for comparable properties in the same geographic area. As of the date hereof, Mortgagor acknowledges and agrees it shall maintain the insurance coverages set forth in this Section 5.03, subject to Mortgagee's right to amend any insurance coverages required hereunder in accordance with the foregoing.

(a) Property Insurance. Mortgagor shall maintain (or cause the Tenant under the Lease to maintain, as applicable) comprehensive property insurance under one or more insurance policies insuring against the perils of, without limitation, fire, water, wind, burglary, theft, malicious mischief, riot, civil commotion, vandalism, and any other peril now or hereafter covered under a "causes of loss-special form" policy. Each policy shall include the endorsements required hereunder and shall comply with all covenants contained herein.

(i) Full Replacement Value Endorsement. Such policy or policies shall insure the Improvements and Personal Property in an amount equal to one hundred percent (100%) of full replacement cost, without taking into account depreciation, as reasonably determined by Mortgagee from time to time. Mortgagee may, at any time and from time to time, upon reasonable advance notice to Mortgagor, increase the coverage requirements under this Section to reflect increases to the full replacement cost of the Improvements and Personal Property as determined by Mortgagee. In making its determination, Mortgagee may rely on a qualified, independent appraiser or engineer.

(ii) Boiler and Machinery Insurance. Mortgagor shall maintain comprehensive boiler and machinery insurance and systems breakdown coverage (without exclusion for explosion), insuring, without limitation, all boilers, turbines, engines, or other pressure vessels, and machinery and equipment (including, without limitation, heating, ventilation, and air-conditioning equipment, refrigeration equipment, sprinkler systems, electrical systems, pipes, conduits, and similar machinery and components) located in or servicing the Property. The coverage under such boiler and machinery insurance shall be in such amount per accident equal to one hundred percent (100%) of full replacement cost (as reasonably determined and adjusted from time to time by Mortgagee). Such insurance shall also provide coverage against business interruption and loss of income or use arising from the Casualty. The policy shall name Mortgagee as an additional insured under a standard joint loss clause and shall provide that all proceeds be paid to Mortgagee.

(iii) Business Interruption or Loss of Rental Income Insurance. Mortgagor shall maintain business interruption insurance, with loss payable to Mortgagee, insuring against lost Rents resulting from any insured peril. Coverage shall be on an "as loss sustained" basis in an amount equal to one hundred percent (100%) of the income (as herein defined) for the Property for a period of not less than twelve (12) months from the date of casualty, with a twelve (12)-month extended period of indemnity. The amount of coverage as of the Effective Date shall be determined by Mortgagee and adjusted at least once each year based on a reasonable estimate of projected gross Rent for the next ensuing twelve (12)-month period. Mortgagee may hold and apply all proceeds paid under such policy as permitted under the Loan Documents. For purposes of this coverage, "income" means the sum of the total, then ascertainable Rents payable under the Lease, and the total ascertainable amount of all other payments to be received by Mortgagor from third parties which are the legal obligation of the Property's tenants, occupants, and licensees, reduced to the extent such amounts would not be received because of operating expenses not incurred during the period that any portion of the Property cannot be occupied as a result of the Casualty.

(b) Commercial General Liability Insurance. Mortgagor shall maintain (or shall cause the Tenant under the Lease to maintain as applicable) commercial general liability insurance coverage with "products and completed operations coverage," insuring against bodily injury, death, and property damage, including all legal liability to the extent insurable and all court costs, legal fees, and expenses arising out of, or connected with, the possession, use, leasing, operation, maintenance, or condition of the Property in such amounts as may be required by Mortgagee from time to time, but in no event less than One Million and 00/100 Dollars ($1,000,000.00) per occurrence and Two Million and 00/100 Dollars ($2,000,000.00) in the annual aggregate (and, if on a blanket policy, containing an "Aggregate Per Location" endorsement) and with umbrella or excess liability insurance in an amount not less than Five Million and No/100 Dollars ($5,000,000.00) per occurrence on terms consistent with the commercial general liability insurance policy required. The policy must name Mortgagee as an additional insured.

(c) Additional Insurance Coverage Requirements. Without limiting the foregoing, Mortgagor shall maintain the following additional insurance coverages, if applicable, in such amounts and with such deductibles as provided below (or if not so provided, as determined by Mortgagee in its reasonable discretion), including, without limitation:

(i) Ordinance or Law Coverage if any part of the Improvements is or shall later become a legal nonconforming use under Applicable Law with a coverage amount of $100,000.

(ii) Intentionally omitted

(iii) Workers' compensation insurance for all employees employed at the Property which, if applicable, can be purchased on an "if any" basis. All coverage and coverage limits shall be in compliance with the laws of New York State.

(iv) Motor vehicles liability insurance for all owned and non-owned automobile liability on an "if any" basis insuring against liability occurring on or about the Property or arising from the use of the Property.

(v) Builder's risk insurance during any period of construction, renovation, or alteration of the Improvements, such insurance to not be less than one hundred percent (100%) of the full replacement cost value of the existing Improvements; provided, however, that as of the Effective Date, such coverage shall not be required.

(vi) Intentionally omitted.

(vii) Intentionally omitted.

(viii) Any other insurance Mortgagee reasonably deems necessary to cover any other insurable hazards with respect to the Property whether now known or later discovered, and any replacements, substitutions, or additions to any of the coverages required hereunder, provided that such insurance is customary for comparable properties in the same geographic area.

(d) Policy Prohibitions. No policy shall:

(i) Exclude coverage for windstorm damage and, if such coverage is limited after a storm is named, such policies shall contain a "Named Storm Endorsement"; provided, however, that notwithstanding the foregoing, Mortgagor's existing coverage with a 2% deductible and $50,000 minimum for wind and named storm coverage is acceptable to Mortgagee.

(ii) Permit Mortgagor or Mortgagee to become a co-insurer within the terms of the applicable policy; or

(iii) Except as otherwise expressly provided herein, have a deductible exceeding One Hundred Thousand and No/100 ($100,000.00).

(e) Qualified Insurers. All insurance shall be issued under valid and enforceable policies issued by one or more domestic insurers authorized to issue insurance in New York having a minimum rating of A-/VII rating by A.M. Best Company and acceptable to Mortgagee in its reasonable discretion. Mortgagee's approval of the insurer or the insurance coverage is not a representation or warranty concerning the sufficiency of any coverage.

(f) Policy Requirements. All policies shall be for a term of not less than one (1) year and, unless indicated to the contrary herein, shall insure and name Mortgagee as beneficiary under a so-called "standard mortgagee clause." Each policy shall provide coverage that: (i) prohibits cancellation or termination before the policy's expiration date; (ii) permits recovery by Mortgagee notwithstanding any defense to claims that may be available to the insurer due to the acts or omissions of Mortgagor; (iii) permits proceeds to be directly payable to Mortgagee; (iv) entitles Mortgagee to at least ten (10) days prior written notice of cancellation for nonpayment of premiums and at least thirty (30) days prior written notice of nonrenewal or modification; and (v) contains a waiver of subrogation endorsement as to Mortgagee. If the required insurance coverage is provided under a blanket policy covering the Property and other properties or assets not secured by this Loan, such blanket policy must specify the portion of total coverage that is allocated to the Property and any sublimit in such blanket policy which is applicable to the Property. A blanket policy shall comply in all other respects with the requirements of this Section.

(g) Evidence of Insurance. Mortgagor shall deliver to Mortgagee evidence of the insurance coverages required under this Section, together with proof of payment for the first year's premiums, on or before the Effective Date and thereafter, not less than thirty (30) days before the expiration date of each policy. All evidence of insurance coverage shall be in form and substance reasonably satisfactory to Mortgagee. All evidence of insurance shall accurately reflect the coverages available under each such policy and shall satisfy all requirements hereunder. Mortgagee shall have the right at any time and from time to time to require further assurances from the insurer or its agent regarding the effectiveness of any policy and the coverages provided therein.

(h) Mortgagee's Right to Obtain Insurance. If Mortgagor fails to obtain or maintain the insurance coverages required hereunder or shall fail to provide Mortgagee satisfactory evidence of all required insurance coverages, and if Mortgagor fails to cure such deficiency within five (5) Business Days after notice from Mortgagee of such deficiency, an Event of Default shall be deemed to have occurred upon which no further notice or right of cure shall be available to Mortgagor. Upon such Event of Default, Mortgagee shall have the right to obtain all required insurance not provided by Mortgagor. All amounts advanced by Mortgagee to procure such insurance shall be added to the principal amount secured by this Mortgage and bear interest at the Default Rate. As used herein and in the Loan Documents, the "**Default Rate**" shall have the meaning given to such term under the Note. Mortgagee shall have no liability for the performance of any insurer selected or approved by Mortgagee.

**Section 5.04 Existence, Financial and Reporting Covenants**.

(a) Continued Existence and Good Standing. Mortgagor shall maintain its existence in accordance with Article III of this Mortgage and shall remain in good standing in New York and shall not dissolve or permit any Guarantor to dissolve.

(b) Payment of Debt and Performance of Obligations. Mortgagor shall fully and punctually pay all amounts and perform all Obligations when and as required by the Loan Documents. Mortgagor may not prepay the Loan except in strict accordance with the Note.

As used in the Loan Documents, the term "**Business Day**" or "**business day**" means any day other than a Saturday, a Sunday, or days when federal banks located in the State of New York are closed for a legal holiday or by government directive.

(c) Books and Records. Mortgagor shall keep adequate books and records of account with respect to its financial condition and the financial condition and operation of the Property, in accordance with GAAP or such other method acceptable to Mortgagee, which method must be consistently applied.

(d) Financial Reporting of the Property. Within the time periods prescribed by this Section 5.04(d) and upon reasonable request following any Event of Default, Mortgagor shall furnish all financial statements and information reasonably requested by Mortgagee, each prepared in such detail as reasonably required by Mortgagee and each certified by a Responsible Officer to be true, complete, and correct in all material respects. As used in the Loan Documents, the term "**Responsible Officer**" means, as to any Person, an individual who is a managing member, general partner, chief executive officer, president, or vice president of such Person, or, with respect to financial matters, the chief financial officer or treasurer of such Person, or other officer authorized by such Person to deliver documents and information with respect to the financial matters under this Loan.

(i) Periodic Reporting. As soon as available, but in any event within thirty (30) days after the end of each calendar quarter, Mortgagor shall provide the following statement, each certified by a Responsible Officer:

(A) Intentionally omitted; and

(B) an operating statement for the Property, detailing the operating income received, operating expenses incurred, and itemizing all costs paid during such period.

(ii) Year-End Reporting. As soon as available, but in any event within ninety (90) days after the close of Mortgagor's fiscal year, Mortgagor shall provide the following statements, each certified by a Responsible Officer:

(A) Intentionally omitted;

(B) an annual operating statement for the Property, which statement shall be audited by an independent certified public accountant or certified by a Responsible Officer, prepared on an annual basis; provided, however, that Mortgagee acknowledges and agrees that so long as Guarantor is a public company it shall accept the public filings of Guarantor in satisfaction of this Section 5.04(d)(ii)(B); and

(C) an annual balance sheet and profit and loss statement for Mortgagor which statement shall be audited by an independent certified public accountant or certified by a Responsible Officer; provided, however, that Mortgagee acknowledges and agrees that so long as Guarantor is a public company it shall accept the public filings of Guarantor in satisfaction of this Section 5.04(d)(ii)(C).

(e) Financial Statements and Other Information on Guarantor. Mortgagor shall cause Guarantor to provide to Mortgagee as soon as available, but in any event within ninety (90) days after the close of such entity's fiscal year, such parties' financial statements in form reasonably satisfactory to Mortgagee, certified by an independent auditor or by a Responsible Officer to be accurate and complete in all material respects. Upon request, Mortgagor shall also cause Guarantor to provide such additional financial information, including without limitation, copies of state and federal tax returns within ten (10) days of Mortgagee's written request. Notwithstanding the foregoing, Mortgagee acknowledges and agrees that so long as Guarantor is a public company, it shall accept the public filings of Guarantor in satisfaction of this Section 5.04(e).

(f) Additional Information. Promptly, upon reasonable written request, Mortgagor shall provide such other information relating to Mortgagor, the Property, or the Lease, as Mortgagee may reasonably request in writing from time to time.

(g) Mortgagee's Rights of Examination and Audit. Following and during the continuance of an Event of Default, Mortgagee and its agents shall have the right to examine the books, records, statements, and files evidencing the financial condition of Mortgagor and the Property and to make copies and abstracts from such materials during normal business hours but without any advance notice. Following and during the continuance of an Event of Default, Mortgagee shall also have the right to conduct an independent audit of Mortgagor's books, records, statements, and files. If Mortgagee's audit discloses a material error of more than ten percent (10%), Mortgagor shall pay all reasonable out-of-pocket costs of Mortgagee's audit. Any unpaid amounts due hereunder shall be added to principal and shall bear interest at the Default Rate until paid in full. The payment of all amounts due hereunder shall be secured by this Mortgage and all collateral secured hereunder.

**Section 5.05 Covenants of Continued Cooperation**.

(a) Obligation to Maintain Existence. Mortgagor will continue to engage in the businesses presently conducted to the extent the same are necessary for the ownership, maintenance, management, and operation of the Property. Mortgagor will qualify to do business and will remain in good standing under the laws of New York and each other jurisdiction as and to the extent the same are required for the ownership, maintenance, management, and operation of the Property. Mortgagor shall continuously maintain its existence and its rights, licenses, permits and franchises to do business in New York and shall not dissolve or permit its dissolution. Mortgagor shall not change its name, form of legal entity, or its location as a registered organization within the meaning of the NY UCC.

(b) ERISA Compliance. Mortgagor shall not engage in any transaction which would cause the representation in Section 4.27 of this Mortgage to become untrue or inaccurate. Throughout the term of the Loan, Mortgagor agrees to deliver to Mortgagee such certifications or other evidence as reasonably requested by Mortgagee to confirm compliance with Mortgagor's obligations under this Section or to confirm that Mortgagor's representations and warranties regarding ERISA remain true.

(c) Compliance with Anti-Terrorism, Embargo, Sanctions, and Anti-Money Laundering Laws. Throughout the term of the Loan, including after giving effect to any Transfer (as defined herein), Mortgagor shall comply with Applicable Law and shall not, at any time during the term of the Loan, take any action, or permit any action to be taken, that would cause Mortgagor's representations and warranties in Section 4.24 of this Mortgage to become untrue or inaccurate. Mortgagor shall provide to Mortgagee copies of all notices, reports, and other communications exchanged with, or received from, governmental authorities relating to all investigations and shall pay all costs and expenses for complying with Applicable Law in connection with the representations and warranties made in Section 4.24.

(d) Replacement Documents. Upon receipt of an affidavit from an officer of Mortgagee affirming the loss, theft, destruction, or mutilation of the Note or any other Loan Document not of public record, Mortgagor shall execute and deliver a replacement original of the lost, stolen, destroyed, or mutilated document within ten (10) days of Mortgagee's request; provided that Mortgagee indemnifies and holds harmless Mortgagor for any loss, cost or damage arising out of the loss, theft, destruction or mutilation of the Note or other Loan Document. In the case of a mutilated document, Mortgagee shall, at the request of Mortgagor, exchange with Mortgagor the original mutilated document for its replacement.

(e) Loan Estoppels. Mortgagor shall deliver to Mortgagee or Mortgagee's designee within ten (10) Business Days of Mortgagee's written request, a statement certified by a Responsible Officer of Mortgagor, acknowledging any facts or circumstances pertinent to the Loan, Mortgagor, the Property, or the Loan Documents as reasonably requested by Mortgagee, including, without limitation, the unpaid principal amount of the Loan; the Applicable Interest Rate (as defined in and charged under the Note); the date monthly debt service payments under the Note are due; the maturity date of the Loan; and the date that the last payment of interest and, if applicable, principal was paid under the Note.

(f) Tenant Estoppels. Mortgagor shall use commercially reasonable efforts to deliver to Mortgagee within ten (10) Business Days following Mortgagee's written request, a duly executed estoppel certificate from the Tenant under the Lease. The Tenant estoppel shall satisfy the requirements for delivery of estoppels under the Lease in form and substance reasonably satisfactory to Mortgagee. In the event that Mortgagor is unable to deliver an estoppel certificate from Tenant within such ten (10) Business Day period, then Mortgagor shall deliver to Mortgagee an estoppel certificate duly executed by Mortgagor as the landlord with respect to the Lease in form and substance as required to be delivered by the Tenant under the Lease or otherwise reasonably satisfactory to Mortgagee.

(g) Payment of Costs. Except to the extent expressly prohibited by law, Mortgagor shall pay all taxes and fees, including transfer taxes, filing, registration, and recording fees, and all expenses incident to the preparation, execution, acknowledgment, negotiation, review, and release of the Note, this Mortgage, and other Loan Documents, together with all replacements, modifications, extensions, consolidations, or restatements of the same.

(h) Mortgagee's Right of Entry and Inspection. Mortgagee and its agents may enter the Property upon one (1) Business Day's prior written notice to Mortgagor (notice to be given unless an Event of Default is continuing or an emergency exists, as determined by Mortgagee in good faith) to inspect the Property and Mortgagor's books and records relating to the Property during normal business hours. In making such entry and inspection, Mortgagee agrees to use reasonable efforts to minimize disturbance to Mortgagor, Tenant and any other tenants of the Property and such entry shall be subject to any restrictions in the Lease and any other applicable Lease, if any.

(i) Further Acts and Assurances. Mortgagor, at Mortgagor's expense, agrees to take such further actions and execute such further documents as Mortgagee may reasonably request to carry out the intent of the Loan Documents or to establish and protect the rights and remedies created or intended to be created in favor of Mortgagee under the Loan Documents or to protect the value of the Property and Mortgagee's security interests or liens therein.

## ARTICLE VI
## TAX ESCROW

**Section 6.01 Tax and Insurance Escrows.**

(a) Tax Escrow Account. To satisfy Mortgagor's obligation to pay all Taxes, when due, Mortgagor shall make the deposits required under this Section 6.01(a) to an account established by Mortgagee and designated as the "**Tax Escrow Account**." As of the Effective Date, Mortgagor shall deposit into the Tax Escrow Account the amount allocated to Taxes deposited by the Tenant under the Lease (which amount is to be credited by Mortgagor, as seller, to Mortgagor, as buyer, per the closing statement relating to the sale and finance of the Property dated as of the Effective Date. The estimated amount to be paid each month into the Tax Escrow Account is based on the property's current (or most recent) tax bills, taking into account: (i) the due dates established by the governing taxing authorities during the ensuing tax period; and (ii) the Monthly Tax Deposits (as hereinafter defined) to be collected pursuant hereto from the Effective Date through but not including the date Taxes shall next become due.

(b) Monthly Deposits to Tax Escrow Account. On each Monthly Payment Date (as defined in the Note), Mortgagor shall pay to Mortgagee the Monthly Tax Deposit. As used in the Loan Documents, the term "**Monthly Tax Deposit**" means, with respect to the specified period, an amount equal to one-twelfth (1/12) of the Taxes that Mortgagee estimates will be payable during the next ensuing twelve (12) months, subject to adjustment as set forth in Section 6.01(e).

(c) Disbursements from Escrow Accounts. Provided amounts in the Tax Escrow Account are sufficient to pay the Taxes then due, and further provided that no Event of Default (as hereinafter defined) exists, Mortgagee shall pay the Taxes as they become due on their respective due dates on behalf of Mortgagor by applying the funds held in the Tax Escrow Account to the payment of Taxes then due. In making any payment of Taxes, Mortgagor acknowledges and agrees that Mortgagee may do so according to any bill, statement, or estimate obtained from the governing taxing authority without inquiry into the accuracy of such bill, statement, or estimate and without inquiry into the validity of any tax, charge, assessment, lien, or claim thereunder and without regard to any payment disputes.

(d) Surpluses and Deficiencies. If amounts on deposit in the Tax Escrow Account for any annual tax period exceed the Taxes actually paid during such tax period, Mortgagee shall, in its discretion, either return the excess to Mortgagor or credit the excess against payments due from Mortgagor for the next succeeding period. If amounts on deposit in either account are insufficient to pay the Taxes actually due during such period, Mortgagee shall notify Mortgagor of the deficiency, and, within thirty (30) days thereafter, but in no event later than ten (10) business days prior to the date such amounts are actually due, Mortgagor shall pay to Mortgagee an amount equal to such deficiency.

(e) Adjustments to Monthly Deposit Amounts. Mortgagor shall notify Mortgagee immediately if it is given or obtains notice of any changes to the amounts, the payment schedule, or payment instructions for the proper payment of Taxes. Mortgagor authorizes Mortgagee, or Mortgagee's agent, to obtain bills and other information directly from the appropriate taxing authority or insurer. If Taxes shall increase and Mortgagee determines that amounts on deposit in the applicable escrow account shall be insufficient to pay the expense, Mortgagee shall notify Mortgagor of such determination. Commencing on the date specified in such notice and thereafter, on each Monthly Payment Date (as defined in the Note), Mortgagor shall pay the adjusted amount as set forth in said notice for the Monthly Tax Deposit.

**Section 6.02 Maintenance of Accounts.**

(a) Control of Account. The account required under this Article VI shall be a custodial account established by Mortgagee. Each escrow account shall be under the sole dominion and control of Mortgagee, and Mortgagor shall have no right to withdraw funds from any such account.

(b) Interest Payable on Account. Unless required by the laws of New York State or as otherwise expressly provided in this Article VI, Mortgagor shall not be entitled to any earnings or interests on funds deposited into any account. Interest paid or payable with respect to any such account may not be the highest interest rate available and need not be based on a particular external interest rate. Mortgagor agrees that Mortgagee shall have no liability with respect to interest rates paid or interest rate fluctuations.

(c) No Waiver. No disbursements made from any account during a default or Event of Default shall be deemed a waiver or cure by Mortgagee of such default or Event of Default, nor prejudice in any manner the rights and remedies reserved by Mortgagee hereunder. No insufficiency in any account shall relieve Mortgagor from its obligations under the Loan or under its contracts with third parties.

**Section 6.03** Accounts Release. Upon full payment and satisfaction of the Debt and Obligations in accordance with the Loan Documents, Mortgagee shall disburse to Mortgagor all funds, if any, then held in any account established under this Article VI.

## ARTICLE VII
## CASUALTY AND CONDEMNATION

If the Property, or any portion thereof, shall be damaged or destroyed by Casualty or become subject to any Condemnation, the terms, covenants, and conditions of this Article VII shall apply. As used in the Loan Documents, the term "**Casualty**" means the occurrence of damage or destruction to the Property, or any part thereof, by fire, flood, vandalism, windstorm, hurricane, earthquake, acts of terrorism, or any other peril; and the term "**Condemnation**" means the taking by any governmental authority of the Property or any part thereof through eminent domain or otherwise, including, without limitation, any transfer made in lieu of or in anticipation of the exercise or threatened exercise of such taking.

**Section 7.01 Provisions Applicable to Casualty and Condemnation**.

(a) Obligation to Notify Mortgagee. Mortgagor shall promptly notify Mortgagee, in writing, of any actual or threatened Condemnation or of any Casualty that damages or renders the Property or any material part thereof unusable.

(b) Mortgagee Consent Required. Mortgagor shall not make any agreement in lieu of Condemnation or accept any insurance proceeds with respect to a Casualty without Mortgagee's prior written consent, such consent not to be unreasonably withheld or delayed so long as no Event of Default has occurred or is continuing. Mortgagor shall provide Mortgagee with copies of all notices or filings made or received by Mortgagor in connection with any Casualty or Condemnation or with respect to collection of any insurance proceeds or Condemnation award, as applicable.

(c) Payment and Trust Provisions. So long as an Event of Default has occurred and is continuing, Mortgagor hereby grants Mortgagee the authority, at Mortgagee's option either to settle and adjust any claim arising with respect to the Casualty or Condemnation without Mortgagor's consent, or to allow Mortgagor to settle and adjust such claim; provided that, in either case, the insurance proceeds or Condemnation award, as applicable, is paid directly to Mortgagee. At all times when no Event of Default has occurred and is continuing, Mortgagor shall have the right to settle and adjust any claim arising with respect to the Casualty or Condemnation, subject to Mortgagee's approval, not to be unreasonably withheld or delayed. If any portion of the insurance proceeds or Condemnation award, as applicable, shall be payable to Mortgagee, but shall have been paid to Mortgagor, then subject to the foregoing, Mortgagor shall hold such amounts in trust for the benefit of Mortgagee to the extent required hereby and shall promptly remit such amounts to Mortgagee.

(d) Continuing Loan Obligations. Notwithstanding that a Casualty or Condemnation has occurred, or that rights to a Condemnation award or insurance proceeds are pending, no Casualty or Condemnation shall be deemed to excuse any payment obligations of Mortgagor hereunder and Mortgagor shall continue to pay the Debt and other payment obligations under the Loan Documents in strict accordance with the terms of the Note and other Loan Documents.

(e) Payment of Mortgagee's Expenses. All expenses incurred by Mortgagee in the settlement and collection of amounts paid with respect to a Casualty or Condemnation (including, without limitation, reasonable legal fees and expenses) and with respect to the administering the repair and restoration as provided in Section 7.01(f) shall be deducted from such amounts and reimbursed to Mortgagee prior to any application as provided hereunder. As used in the Loan Documents, the term "**Restoration Proceeds**" means any insurance proceeds or Condemnation awards paid or payable on account of a Casualty or Condemnation, as applicable (including, without limitation, any business interruption insurance proceeds) less Mortgagee's reimbursable expenses as provided in this Section 7.01(e).

(f) Mortgagor Obligation to Repair and Restore. If Mortgagee makes Restoration Proceeds available to Mortgagor, Mortgagor shall use commercially reasonable efforts to diligently repair and restore the Property to at least equal value and substantially the same character as existed immediately prior to such Casualty or Condemnation. All plans and specifications for the repair and restoration and all contractors, subcontractors, and materialmen to be engaged in the repair and restoration, as well as the contracts under which they have been engaged, shall be subject to Mortgagee's prior review and written approval, not to be unreasonably withheld, conditioned, or delayed. Mortgagee may engage, at Mortgagor's reasonable expense, an independent engineer or inspector to assist Mortgagee in its review of any requests and to inspect the Property while work is in progress and at completion, which reasonable amounts can be deducted from insurance proceeds and condemnation awards as provided in Section 7.01(e).

**Section 7.02 Casualty**.

(a) Release of Restoration Proceeds for Casualty. If the Property shall be damaged or destroyed, in whole or in part, by any Casualty, then provided that insurance proceeds shall be received by Mortgagee as provided in Section 7.01(c) and provided further that all conditions precedent set out in Section 7.02(b) shall be satisfied in Mortgagee's reasonable judgment, then, such proceeds shall be held by Mortgagee in a trust fund used to fund the Property's repair and restoration. In such event, Mortgagee shall disburse Restoration Proceeds for the repair and reconstruction of the Property on an "as work progresses" basis in accordance with customary construction lending requisition criteria and retainages. In no event shall the Mortgage lien be reduced, except to the extent and by the amount of which Restoration Proceeds are applied to the Debt as provided herein. Provided no Event of Default shall have occurred and be continuing, said trust fund shall be interest-bearing and interest, if any, shall be paid or credited to Mortgagor.

(b) Conditions Precedent to Release of Restoration Proceeds for Casualty. The following conditions precedent shall apply to any release of Restoration Proceeds by Mortgagee in connection with any Casualty:

(i) Restoration Proceeds in respect of the Casualty are sufficient to restore the Property to substantially the same condition that existed prior to the Casualty.

(ii) In Mortgagee's commercially reasonable determination, restoration can be completed no later than the earliest of:

(A) twelve (12) months from the date the Casualty occurred or the expiration of Mortgagor's business interruption insurance, whichever is earlier;

(B) the earliest date by which completion is required under the Lease; or

(C) the earliest date by which completion is required under Applicable Law to preserve the right to rebuild the Improvements as they existed prior to the Casualty.

(c) Application of Restoration Proceeds for Casualty to the Debt. If at any time any condition precedent of Section 7.02(b) is not met, then Mortgagee may apply Restoration Proceeds to the Debt. No prepayment penalty or premium shall be applicable to any such application.

(d) Payment of Surplus Restoration Proceeds for Casualty. Provided no Event of Default shall be then existing, any excess Restoration Proceeds in respect of a Casualty after completion of all repairs and restoration shall, at Mortgagee's option to be exercised in its good faith, commercially reasonable discretion, either be released to Mortgagor or shall continue to be held pursuant hereto to pay any shortfall to Property operating expenses.

**Section 7.03 Condemnation**.

(a) Application of Restoration Proceeds for Condemnation. In the event of a Condemnation other than a Partial Condemnation, Mortgagee shall apply the Restoration Proceeds pursuant to Section 7.03(d) of this Mortgage. As used in the Loan Documents, the term "**Partial Condemnation**" means a taking by Condemnation affecting less than ten percent (10%) of the Land and no portion of the Improvements and, as to the Land taken, such Land must only be along the perimeter of the Property.

(b) Release of Restoration Proceeds for Partial Condemnation. In the event of a Partial Condemnation and provided that the condemnation award shall be received by Mortgagee pursuant to Section 7.01(c) and all conditions precedent set out in Section 7.03(c) are satisfied in Mortgagee's reasonable judgment, then, such proceeds shall be held by Mortgagee in a trust fund used to fund the Property's repair and restoration. Mortgagee shall disburse Restoration Proceeds for the repair and reconstruction of the Property that is subject to Partial Condemnation on an "as work progresses" basis in accordance with customary construction lending requisition criteria and retainages. In no event shall the Mortgage lien be reduced, except to the extent and by the amount of which Restoration Proceeds are applied to the Debt as provided herein. Provided no Event of Default shall have occurred and be continuing (beyond any applicable notice and cure period), said trust fund shall be interest-bearing and interest, if any, shall be paid or credited to Mortgagor.

(c) Conditions Precedent to Release of Restoration Proceeds for Partial Condemnation. The following conditions precedent shall apply to any release of Restoration Proceeds in connection with any Partial Condemnation:

(i) No Event of Default shall have occurred and be continuing (beyond any applicable notice and cure periods) under the Loan.

(ii) Restoration Proceeds in respect of the Partial Condemnation are sufficient to restore the Property to substantially the same condition that existed prior to the Partial Condemnation.

(iii) In Mortgagee's commercially reasonable determination, restoration can be completed no later than the earlier of:

(A) Six (6) months from the date the Partial Condemnation occurred; or

(B) the earliest date by which completion is required under Applicable Law to preserve the right to rebuild the Improvements as they existed prior to the Partial Condemnation.

(d) Application of Restoration Proceeds for Condemnation. In the event of a Condemnation other than a Partial Condemnation, or if at any time any condition precedent of Section 7.03(c) is not satisfied, then Mortgagee may apply Restoration Proceeds to the Debt. No prepayment penalty or premium shall be applicable to any such application. Any excess Condemnation award remaining in the trust fund after the completion of all repairs and restoration undertaken pursuant to Section 7.03(b) shall be applied to the Debt.

## ARTICLE VIII
## NO TRANSFERS; DUE ON SALE

**Section 8.01 Prohibition Against Transfers.** Mortgagor shall not permit any Transfer or cause any Transfer to occur other than a Permitted Transfer, as defined in Section 8.03 of this Mortgage. Any Transfer made in violation hereof shall be an Event of Default. As used herein and in the other Loan Documents, the term "**Transfer**" means any action by which: (a) the legal or beneficial ownership of the Equity Interests in Mortgagor; (b) the legal or equitable title to the Property, or any part thereof; or (c) the cash generated by the Property or any portion thereof, is sold, assigned, transferred, hypothecated, pledged, or otherwise encumbered or disposed of, whether undertaken directly or indirectly, or occurring by operation of law or otherwise. By way of illustration and not limitation, the term Transfer includes the sale, conveyance, assignment, or the grant of an option, mortgage, deed of trust, pledge, or security interest in, or any other transfer in whole or in part of, the Property, as security or otherwise; the grant of an easement affecting the Property or any other agreement granting rights in or restricting the use or development of the Property, including, without limitation, air, water, and mineral rights; an installment sale wherein Mortgagor agrees to sell the Property for a price to be paid in installments; or an agreement by Mortgagor to lease all or a substantial part of the Property for a use other than actual occupancy by a space tenant thereunder.

**Section 8.02 Due on Sale.** Upon any Transfer other than a Permitted Transfer, the Loan shall be immediately due and payable in full, together with all amounts due under the Loan Documents.

**Section 8.03 Permitted Transfers.** Mortgagee shall have the right in its reasonable discretion to approve, conditionally approve, or disapprove any Transfer, other than a Permitted Transfer. As used in the Loan Documents, the term "**Permitted Transfer**" means:

(a) Transfers of Equity Interests which, in the aggregate over the term of the Loan:

(i) Do not exceed forty-nine percent (49%) of the total Equity Interests in Mortgagor, or result in any Person holding an Equity Interest in Mortgagor, which exceeds forty-nine percent (49%) of the total Equity Interests in Mortgagor; and

(ii) Do not result in a change of Control of Mortgagor or Guarantor.

(b) Transfers with respect to any Person whose stocks or certificates are traded on a nationally recognized stock exchange.

(c) Transfers which have been approved by Mortgagee.

(d) Permitted Encumbrances.

(e) Transfers of worn out or obsolete furnishings, fixtures, or equipment that are promptly replaced with property of equivalent value and functionality.

(f) New or renewal Leases approved by Mortgagee or those permitted without prior approval in accordance with this Mortgage.

(g) A Transfer of direct or indirect Equity Interests in Mortgagor or Guarantor among Affiliates of the current holders of Equity Interests in Mortgagor or Guarantor as of the Effective Date, including internal reorganizations and restructurings, provided that (i) Mortgagor remains a Single Purpose Entity, (ii) there is no change of Control of Mortgagor or Guarantor, and (iii) Mortgagor provides Mortgagee with written notice of such transfer within ten (10) Business Days after the effective date thereof, together with updated organizational charts reflecting the post-transfer ownership structure.

## ARTICLE IX
## EVENTS OF DEFAULT; REMEDIES

**Section 9.01 Events of Default.** The occurrence of any one or more of the following events shall constitute an "**Event of Default**" under this Mortgage and the Loan:

(a) Payment Default. If Mortgagor shall fail to pay within five (5) Business Days after such payment is due, subject to any applicable notice and cure period, any payment required to be made by Mortgagor under this Mortgage, the Note, or any other Loan Document.

(b) Maturity Default. If unpaid principal, accrued but unpaid interest, and all other amounts outstanding under the Loan are not paid in full on or before the Maturity Date, time being of the essence.

(c) Cross-Default. If a material "**Event of Default**" (as that term is defined in the applicable Loan Documents) occurs under any other Loan Document or a default beyond applicable notice and cure periods occurs with respect to any Affiliate Lease Agreement.

(d) False Representation or Warranty. If any representation or warranty made by Mortgagor, or any Guarantor in any of the Loan Documents, or in any certificate, report, financial statement, or other instrument or document furnished to Mortgagee in connection with the Loan or in any request hereafter made for Mortgagee's consent shall be false or misleading in any material respect.

(e) Insolvency, Bankruptcy, and Debtor Relief.

(i) Admission of Insolvency. If Mortgagor, or Guarantor shall admit in writing its inability to pay its debts as they become due, make an assignment for the benefit of creditors, or generally not pay its debts as they become due.

(ii) Voluntary Bankruptcy and Debtor Relief. If Mortgagor or Guarantor shall commence any case, proceeding, or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship, or relief of debtors seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or seeking appointment of a receiver, trustee, custodian, conservators, or other similar official for it or for all or any substantial part of its assets.

(iii) Involuntary Bankruptcy. If there shall be commenced against Mortgagor or Guarantor any case, proceeding, or other action of a nature referred to in subsection (e)(ii) above by any party other than Mortgagee which results in the entry of an order for relief or any such adjudication or appointment or remains undismissed, undischarged, or unbonded for a period of sixty (60) days.

(f) Attachment or Distraint. If there shall be commenced against Mortgagor or Guarantor any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or a substantial part of the Property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within sixty (60) days from the entry thereof.

(g) Judgments and Liens. If any judgment for monetary damages is entered against Mortgagor or Guarantor or if any Lien other than a Permitted Encumbrance is filed against the Property which, in Mortgagee's reasonable judgment, has a Material Adverse Effect or is not covered to Mortgagee's reasonable satisfaction by collectible insurance proceeds. As used in the Loan Documents, the term "**Material Adverse Effect**" means, with respect to any circumstance, act, condition, or event of whatever nature, including determinations made in any litigation, arbitration, or governmental investigation or proceeding, whether singly or in conjunction with any other event, act, condition, or circumstances, whether or not related, which in Mortgagee's reasonable judgment causes a material change or adverse effect upon: (i) the business, operations, prospects, or financial condition of Mortgagor or Guarantor; (ii) the ability of either Mortgagor or Guarantor to perform its Obligations under any Loan Document to which it is a party; (iii) the use, value, or condition of the Property; (iv) the compliance of the Property with any Applicable Law; or (v) the validity, priority, or enforceability of any Loan Document or the liens, rights, or remedies of Mortgagee thereunder, including, without limitation, recourse against the Property.

(h) Transfer Violation. If a Transfer shall occur in violation of Article VIII of this Mortgage or in violation of any terms and conditions contained in Mortgagee's consent to a Transfer.

(i) Insurance Default. If Mortgagor fails to obtain, pay for or timely deliver evidence of the insurance coverages required under the Loan and such failure continues for thirty (30) days after written notice from Mortgagee.

(j) Taxes Default. If any Taxes are not paid when due and payable.

(k) Violating Formation and Existence Requirements. If Mortgagor or Guarantor shall:

(i) Dissolve or fail to remain in good standing in each of their respective state of formation;

(ii) Fail to remain authorized to do business in New York if required under this Mortgage; or

(iii) Breach any covenant contained in Article III of this Mortgage.

(l) Prohibited Action in Respect of Leases. If Mortgagor breaches any covenant contained in Section 5.02 of this Mortgage.

(m) Other Defaults. Except to the extent otherwise specifically set forth in this Mortgage or other Loan Document, if any other default shall occur which is not cured:

(i) In the case of any default which can be cured by the payment of a sum of money, within ten (10) Business Days after written notice from Mortgagee to Mortgagor; or

(ii) In the case of any other default, within thirty (30) days after written notice from Mortgagee to Mortgagor, except that if said default cannot be cured within such time period and provided that Mortgagor is diligently pursuing a cure and no other Event of Default is then existing, then, Mortgagor shall have an additional reasonable period to effect a cure, but in no event shall the entire cure period be more than ninety (90) days.

**Section 9.02 Mortgagee's Remedies.** Upon the occurrence and during the continuance of an Event of Default, in addition to all other rights, remedies, and powers of Mortgagee at law or in equity, all of which Mortgagee hereby reserves, Mortgagee may take any action described in this Section to the fullest extent permitted by law. Any and all actions taken hereunder may be pursued by Mortgagee in its own name or in the name of Mortgagee's nominee, without notice or demand of any kind, except as otherwise expressly provided in the Loan Documents or by Applicable Law. To the extent permitted by Applicable Law, Mortgagee may exercise all rights, remedies, and powers at such time and in such manner as Mortgagee determines in its sole discretion, including, without limitation, exercising one or more remedies concurrently, without impairing or adversely affecting any other rights, remedies, and powers granted or reserved hereunder.

(a) Entry and Possession. Mortgagee shall have the right to enter upon and take possession of the Property, and dispossess and exclude Mortgagor, its agents, and servants by summary proceedings or otherwise. In furtherance hereof, Mortgagee shall have all rights granted at law or in equity to mortgagees-in-possession, including, without limitation, taking possession of all books, records, and accounts relating to the Property; using, operating, managing, and controlling the Property and every part thereof; and entering into, enforcing, and modifying Leases and Property Agreements.

(b) Protective Advances. Mortgagee shall have the right to make any payments or incur any expenses that Mortgagee shall reasonably determine are necessary to protect or preserve the Property and Mortgagee's Lien and security interests therein. In furtherance of this right, Mortgagor hereby authorizes Mortgagee to make such payments and to incur such expenses in Mortgagee's reasonable discretion to the extent reasonably necessary to protect or preserve the Property and Mortgagee's security interests therein. All reasonable and documented amounts paid by Mortgagee hereunder shall be secured by this Mortgage and added to the Debt with interest thereon at the Applicable Rate (or, during the continuance of an Event of Default, the Default Rate) from the date of payment until repayment in full. Mortgagee shall be subrogated to the rights of Mortgagor, if any, under any contract or agreement paid, or any debt or Lien discharged, by a protective advance made by Mortgagee pursuant to this Section 9.02(b).

(c) Acceleration. Mortgagee may declare the entire Debt immediately due, payable, and collectible, regardless of maturity, and, upon such event, the entire Debt shall become immediately due, payable, and collectible; and thereupon Mortgagee may exercise all rights and remedies granted hereunder or at law, with or without notice to Mortgagor, including, without limitation, instituting any proceedings to foreclose this Mortgage, by judicial action or by any other action permitted hereunder or by Applicable Law. No prepayment penalty or premium shall be due in connection with any acceleration of the Loan.

(d) Foreclosure. Mortgagee may, with or without taking possession of the Property, institute a foreclosure proceeding in accordance with Article 13 of the New York Real Property Actions and Proceedings Law or any Applicable Law in effect on the date foreclosure is commenced, or take any other action as may be allowed, at law or in equity, for the complete or partial foreclosure of this Mortgage to the full extent permitted by law. Mortgagee may bid at any foreclosure sale and may purchase the Property in such proceedings. If Mortgagee shall be the winning bidder at a foreclosure sale, then, in lieu of paying cash, Mortgagee may satisfy all or a portion of the purchase bid by taking a credit against the bid amount for any outstanding Debt then due Mortgagee, including, without limitation, the costs and expenses of enforcing the Obligations, up to the aggregate outstanding Debt then due.

(e) Deficiency Judgment. Except as otherwise provided in the Loan Documents or by Applicable Law, Mortgagee may sue for and obtain a judgment for any deficiency remaining on the Debt after applying all amounts received by Mortgagee in furtherance of the exercise of its rights to enforce this Mortgage as provided in this Section 9.02.

(f) UCC Foreclosure and Other Rights. With respect to any Personal Property, Mortgagee may exercise all rights, remedies, and powers accruing to Mortgagee under the Loan Documents, the NY UCC, or any other remedy available at law or in equity. In furtherance thereof, Mortgagee may take possession of any Personal Property and take such measures as Mortgagee deems necessary for the care, protection, and preservation of such Personal Property. Mortgagee shall have the right to require Mortgagor, at its sole expense, to assemble any Personal Property and make it available to Mortgagee at such time and place as Mortgagee may direct. In exercising the right to sell any Personal Property pursuant to the NY UCC, Mortgagor hereby agrees that ten (10) Business Days' prior written notice of such action shall constitute reasonable advance notice to Mortgagor.

(g) Appointment of Receiver. Mortgagee may apply for the appointment of a receiver of the Rents, or the Property, or both, without notice to Mortgagor. Except as may be required by Applicable Law, Mortgagee shall be entitled to the appointment of a receiver as a matter of right, without consideration of the value of the Property securing the Debt, or the solvency of any Person liable for the payment of such amounts. Mortgagor hereby consents to such appointment, whether during the pendency of a foreclosure proceeding or otherwise, and waives notice of any application therefor, unless notice is expressly required by Applicable Law.

(h) Right to Sue. Mortgagee may, from time to time, take any legal action permitted by Applicable Law to recover any sums due under the Loan Documents, without regard to whether the Loan has been accelerated, or whether foreclosure and any other enforcement action has been commenced. Mortgagee may exercise this right without prejudicing Mortgagee's right to concurrently take any other enforcement action, including, without limitation, foreclosure.

(i) No Obligation to Marshal Assets. In exercising its rights and remedies under this Mortgage, Mortgagee shall have no obligation to marshal assets or to realize upon all the Property. Mortgagor hereby waives any right to have any of the Property marshaled in connection with any sale or other exercise of Mortgagee's rights, remedies, and powers hereunder.

**Section 9.03 Omnibus Provisions Pertaining to Mortgagee's Rights and Remedies**.

(a) Remedies Cumulative. The rights, powers, and remedies of Mortgagee hereunder are separate, distinct, and cumulative with all other rights, powers, and remedies of Mortgagee in the other Loan Documents, at law, or in equity, each of which may be exercised independently, concurrently, and successively in Mortgagee's discretion. Mortgagee's election of any right, power, or remedy shall not be deemed exclusive of any other and shall not bar or limit the exercise of any other right, power, or remedy.

(b) No Waiver. No delay or failure by Mortgagee to accelerate the Loan or exercise any right, power, or remedy shall be deemed a waiver by Mortgagee of, or estop Mortgagee from, the future exercise thereof. No partial exercise of any right, power, or remedy shall preclude the further exercise thereof. Notice or demand given to Mortgagor in any instance shall not entitle Mortgagor to notice or demand in any other instance, except as expressly required by the Loan Documents or by Applicable Law. Mortgagee may release security for the Loan, may release any party liable therefor, may grant extensions and forbearances, may accept partial or past due amounts, and may apply any sums or other security held by Mortgagee to the repayment of the Loan, in each case without prejudice to Mortgagee and without such action being deemed an accord and satisfaction or a reinstatement of the Loan.

(c) Discontinuance of Proceedings. If Mortgagee commences the enforcement of any right, power, or remedy, whether afforded under the Loan Documents or otherwise and such enforcement is then discontinued or abandoned for any reason, then and in every such case, Mortgagee shall be restored to its former positions and rights hereunder without waiver of any Event of Default and without novation, and all rights, powers, and remedies of Mortgagee shall continue as if no such enforcement had been commenced.

(d) Reimbursement for Enforcement Costs. Mortgagor shall reimburse Mortgagee within thirty (30) days of written demand for all reasonable actual and documented costs, fees, and expenses (including, without limitation, loan servicing fees and reasonable attorneys' fees) incurred by Mortgagee in connection with any enforcement action taken in accordance with this Article. All sums so incurred shall be added to the Debt and shall be secured by this Mortgage. The exercise by Mortgagor of any statutory rights of redemption shall be expressly conditioned on Mortgagor's payment of the foregoing and on the payment and performance of all obligations required under any applicable redemption statute.

(e) Right of Setoff. In addition to, but not in limitation of, any rights, remedies, and powers granted to Mortgagee under the Loan Documents, at law, or in equity, Mortgagee is hereby authorized at any time and from time to time, without notice to Mortgagor or any other Person, such notice being hereby expressly waived, to apply to the Obligations owed Mortgagee under the Loan Documents any amounts then deposited in any escrow or reserve account, if any, or in Mortgagee's possession, or over which Mortgagee has a security interest, including without limitation any Restoration Proceeds. Such right shall be exercisable by Mortgagee only after the Obligations for which such amounts are secured have matured or been accelerated in accordance with this Mortgage.

(f) Application of Proceeds. The proceeds of the Property, together with any other sums that may be held by Mortgagee under this Mortgage, whether under the provisions of this Article or otherwise, shall be applied in the order Mortgagee determines in its sole discretion, except as otherwise expressly required by the Loan Documents, an order from a New York court of competent jurisdiction, or the requirements of Applicable Law.

## ARTICLE X
## MISCELLANEOUS

**Section 10.01 Notices.** Unless specifically stated otherwise in this Mortgage, all notices, requests, and communications required or permitted to be delivered hereunder shall be in writing and delivered to all Persons at the addresses below, by one of the following methods:

(a) Overnight Delivery. A nationally recognized overnight courier company, which shall be deemed to have occurred the Business Day following deposit with the courier.

(b) Certified Mail. Certified mail return receipt requested and postage-prepaid, whereby delivery is deemed to have occurred on the third Business Day following deposit with the United States Postal Service.

(c) Electronic Delivery. Electronic transmission (facsimile or email) provided that the transmission is completed no later than 5:00 p.m. E.S.T. on a Business Day and the original also is sent via overnight courier or U.S. Mail, whereby delivery is deemed to have occurred at the end of the Business Day on which such electronic transmission is completed, provided the duplicate physical notice is sent as required hereunder.

To Mortgagor:
256 COUNTY ROUTE 117 PERTH LLC,
c/o Vireo Growth Inc.
207 South 9th Street
Minneapolis, MN 55402
Attention: Sean Apfelbaum, General Counsel
Telephone: [***]
E-mail: [***]

| | |
|---|---|
| with a copy to: | Eversheds Sutherland (US) LLP<br>227 West Monroe Street, 60th Floor,<br>Chicago, IL 60606<br>Attention: Marc A. Benjamin<br>Telephone: [***]<br>E-mail: [***] |
| To Mortgagee: | Name: IIP-NY 2 LLC<br>Address: 11440 West Bernardo Ct, Suite 100,<br>San Diego, CA 92127<br>Telephone: [***]<br>Email: [***],<br>[***] |

Any party may change its address for purposes of this Section 10.01 by giving written notice as provided in this Section. Notices to counsel or parties other than Mortgagor, Mortgagee, their permitted successors and assigns, or the Loan's servicer, whether now or hereafter designated by a party as entitled to notice hereunder, are for convenience only and any failure to notify such other parties shall not affect the validity of any notice if sent in accordance with this Section 10.01.

**Section 10.02 Usury Saving Clause.** At no time is Mortgagor required to pay interest on the Loan or on any other payment due hereunder or under any of the other Loan Documents at a rate which would subject Mortgagee either to civil or criminal liability as a result of being in excess of the maximum interest rate permitted by law. If interest, or any amount deemed interest, whether paid or payable by Mortgagor exceeds or is deemed to exceed the maximum interest rate permitted by Applicable Law, then the amount to be paid shall be reduced by such amount so that the amount to be paid shall not exceed the maximum rate permitted by law. Any payments made in excess of such maximum interest rate shall be deemed to have been payments of principal in inverse order of maturity and not of interest.

**Section 10.03 No Joint Venture; No Third-Party Beneficiaries.** Mortgagor and Mortgagee intend that the relationship created hereunder and under each of the other Loan Documents is solely that of borrower and lender. Nothing herein or in any of the other Loan Documents is intended to create, nor shall it be construed as creating, anything but a debtor-creditor relationship between Mortgagor and Mortgagee and no such relationship shall be drawn or implied from any of Mortgagee's actions or from any prior relationship between the parties. No rights reserved or granted to Mortgagee under the Loan shall be deemed to confer those rights on anyone other than Mortgagee and its successors and assigns. Mortgagee shall have no obligation to Mortgagor or any other Person in respect of the Debt or the Property, or any part thereof, and no party shall be deemed a third-party beneficiary entitled to enforce the performance or observance of any of the rights or obligations created in favor of Mortgagee under the Loan Documents.

**Section 10.04 Mortgagee Approval.** Wherever the Loan Documents give Mortgagee the right to approve or disapprove an action, grant or withhold its consent, waive a requirement, or make any decision, all such matters shall be determined by Mortgagee in its sole discretion, unless expressly provided otherwise in the Loan Documents. By approving or granting consent, accepting or waiving performance, or making decisions, Mortgagee shall not be deemed to have warranted or affirmed the sufficiency, completeness, legality, or effectiveness of the subject matter or of Mortgagor's compliance with Applicable Law or constitute an undertaking by Mortgagee to perform any Obligation of Mortgagor.

**Section 10.05 Performance at Mortgagor's Expense.** Mortgagor acknowledges and agrees that Mortgagee reserves the right to collect from Mortgagor a fee based on a reasonable estimate of the administrative costs as determined by Mortgagee to review or process any request to: (a) modify or waive any provision of the Loan Documents; (b) release or substitute Property; or (c) obtain Mortgagee's approval or consent whenever required by the Loan Documents including, without limitation, in connection with: (i) a Transfer request; (ii) matters affecting Leases, including amending existing Leases or entering into new Leases; (iii) making improvements or alterations to the Property; and (iv) entering into easements or other agreements affecting the Property. Mortgagor agrees to pay such reasonable fees, along with all reasonable actual and documented legal fees and expenses incurred by Mortgagee within thirty (30) days of demand. Any amounts payable by Mortgagor hereunder shall become part of the Debt and be secured by this Mortgage.

**Section 10.06 Mortgagee's Right of Assignment.** This Mortgage may be assigned, sold, or transferred, in whole or in part, by Mortgagee to any Person at any time (provided that Lender shall use good faith, commercially reasonable efforts to promptly provide or cause its successor to provide Borrower written notice of the same). Notwithstanding the foregoing, the parties acknowledge and agree that Mortgagee is collateral assigning its interest in the Loan to Thorofare Asset Based Lending REIT Fund V, LLC, a Delaware limited liability (together with its successors and assigns, "Mortgagee Counterparty"), and no such notice shall be required to be delivered to Mortgagor with respect to such Mortgagee Counterparty and collateral assignment.

**Section 10.07 No Merger.** In the event that Mortgagee's interest under this Mortgage and title to the Property or any estate therein shall become vested in the same Person or entity, this Mortgage shall not merge in such title but shall continue as a valid lien on the Property for the amount secured hereby, unless expressly provided otherwise in writing executed by the Person in whom such interests, title, and estate are vested.

**Section 10.08 After-Acquired Property.** This Mortgage shall encumber, encompass, cover, and apply to and include any and all "after-acquired property" of Mortgagor located at, adjacent, or adjoining to or in any way associated with the use or operation of Property, and such after-acquired property shall be a part of the Property.

**Section 10.09 Waiver of Jury Trial.** EACH OF MORTGAGOR AND MORTGAGEE HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE EXTENT PERMITTED BY NEW YORK LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY PROCEEDING DIRECTLY OR INDIRECTLY RELATING TO THIS MORTGAGE, THE OTHER LOAN DOCUMENTS, THE DEBT, OR THE LOAN WHETHER BASED ON CONTRACT, EQUITY, TORT, OR ANY OTHER THEORY.

**Section 10.10 New York Statutory Provisions**. In the event of any inconsistencies between the terms and conditions of this Section 10.10 and the other terms and conditions of the Mortgage, the terms and conditions of this Section 10.10 shall control and be binding, but only to the extent of such inconsistency.

(a) Statement Pursuant to New York Tax Law; Commercial Property. Mortgagor represents and warrants that within the meaning prescribed under N.Y. Tax Law Section 2531(1-a)(a), this Mortgage does not encumber real property principally improved or to be improved by one (1) or more structures containing in the aggregate not more than six (6) residential dwelling units, each having their own separate cooking facilities.

(b) Maximum Principal Indebtedness Secured. Notwithstanding anything contained herein to the contrary, the maximum principal indebtedness secured by this Mortgage at execution or which under any contingency may become secured hereby at any time hereafter is the principal sum of Forty-Nine Million and 00/100 Dollars ($49,000,000.00) plus all accrued but unpaid interest thereon and all amounts expended by Mortgagee hereunder to maintain the lien of this Mortgage or to protect the Property secured by this Mortgage during the continuance of a default, to the extent that any such amounts shall constitute payment of (a) taxes, charges or assessments which may be imposed by law upon the Property; (b) premiums on insurance policies covering the Property; and (c) reasonable and documented expenses reasonably incurred in upholding the lien of this Mortgage, including (i) the expenses of any litigation to prosecute or defend the rights and lien created by this Mortgage, (ii) any amount, cost or charges to which Mortgagee becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority and (iii) interest at the Default Rate in accordance with the terms herein.

(c) Statement Pursuant to New York Real Property Law Article 4-a. If this Mortgage shall be deemed to constitute a "mortgage investment" as defined by New York Real Property Law Section 125, then this Mortgage shall and hereby confers upon Mortgagee the powers and imposes upon Mortgagee the duties of trustees set forth in New York Real Property Law Section 126.

(d) Section 13 of New York Lien Law. Pursuant to Section 13 of the Lien Law of New York, Mortgagor shall receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of any improvement and shall apply such advances first to the payment of the cost of any improvement before using any part thereof for any other purpose. Mortgagor shall comply strictly with Section 13 of the Lien law of New York.

(e) Section 291-f Protection. Mortgagee shall have all the rights set forth in Section 291-f of the Real Property Law of New York. For purposes thereto, all existing tenants and every tenant or subtenant who, after the recording of this Mortgage, enters into a Lease of any portion of the Property, or who acquires by instrument of assignment or by operation of law a leasehold estate upon the Property, is hereby notified that Mortgagor may not, without obtaining Mortgagee's prior written consent in each instance, cancel, abridge, or modify any Lease, or accept any prepayments of rent for more than one (1) month in advance of its due date with respect to any Lease thereof having an unexpired term on the date of this Mortgage of five (5) years or more, except as expressly permitted under the Loan Documents, and that any such cancellation, modification, or prepayment made by any such tenant or subtenant without either being expressly permitted under this Mortgage or receiving Mortgagee's prior written consent shall be voidable by Mortgagee at its option.

(f) Statutory Rights Not Exclusive. Except as otherwise expressly provided herein, all covenants of Mortgagor herein contained shall be construed as affording to Mortgagee rights additional to and not exclusive of the rights conferred under the provisions of Sections 254, 271, 272, and 291-f of the New York Real Property Law.

(g) Section 254(4) of the RPL. In the event of any conflict, inconsistency, or ambiguity between the provisions of this Mortgage and the provisions of subsection 4 of Section 254 of the Real Property Law of New York covering the insurance of buildings against loss by fire, the provisions of this Mortgage shall control.

(h) Release and Assignment. Notwithstanding anything to the contrary contained in this Mortgage, upon payment to Mortgagee of the indebtedness secured by this Mortgage, Mortgagor shall be entitled to receive, at the option and upon the written request of Mortgagor, either a release of record of this Mortgage or an assignment of this Mortgage by Mortgagee to any new lender designated by Mortgagor in recordable form, without payment of any further sums to Mortgagee other than Mortgagee's customary and reasonable servicing fees and reasonable attorneys' fees relating thereto.

**Section 10.11 Amendments, Extensions, and Modifications.** No amendment, supplement, or other modification of this Mortgage shall be effective unless it is in writing and executed by Mortgagor and Mortgagee.

**Section 10.12 Headings; Time of the Essence.** The headings of the various articles, sections, and subsections in this Mortgage are for reference only and shall not define, expand, or limit any of the terms or provision thereof. **TIME IS OF THE ESSENCE** with respect to all Mortgagor's Obligations under this Mortgage and the other Loan Documents.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date set forth above.

**MORTGAGOR:**

**256 COUNTY ROUTE 117 PERTH LLC,**
a Delaware limited liability company

By: /s/ Tyson Macdonald
Name: Tyson Macdonald
Title: Chief Financial Officer

Organization ID No: _____

STATE OF _____ )
)ss:
COUNTY OF _____ )

On the 21st day of May, 2026 before me, the undersigned, personally appeared Tyson Macdonald, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted. executed the instrument.

/s/ Laura Ferandes
NOTARY PUBLIC

Name: Laura Ferandes

My commission expires: 01-12-27

**Exhibit 10.6**

**SUBORDINATED PROMISSORY NOTE**

$41,000,000.00 May 22, 2026
Chicago, Illinois

**FOR VALUE RECEIVED**, **256 COUNTY ROUTE 117 PERTH LLC**, a Delaware limited liability company (together with its successors and permitted assigns, "**Borrower**"), as maker, having an address at c/o Vireo Growth Inc., 207 South 9th Street, Minneapolis, Minnesota 55402, hereby UNCONDITIONALLY PROMISES TO PAY in lawful money of the United States of America and in immediately available funds, TO THE ORDER OF **CHICAGO ATLANTIC LINCOLN, LLC**, a Delaware limited liability company (together with its successors and assigns, "**Lender**"), as payee, at Lender's address at 420 N Wabash Avenue, Suite 500, Chicago, Illinois 60611, or at such other place as Lender may from time to time designate in writing, the principal sum of FORTY-ONE MILLION AND NO/100 DOLLARS ($41,000,000.00) (the "**Loan**"), together with all accrued interest thereon as provided in this Subordinated Promissory Note (this "**Note**") and all other amounts due and payable under this Note, the Mortgage (as hereinafter defined), and the other Loan Documents (as defined in the Mortgage), as each may be amended, restated, supplemented, or otherwise modified from time to time in accordance with their terms. **CHICAGO ATLANTIC FINANCIAL SERVICES, LLC,** a Delaware limited liability company ("**Chicago Atlantic**") is a party to this Note in its capacity as administrative agent for Lender and the other Holders (as hereinafter defined) (in such capacity, together with its successors and assigns in such capacity, "**Administrative Agent**").

## ARTICLE I
## GENERAL TERMS

**Section 1.01 Secured Loan.** The Loan evidenced by this Note is secured by, among other things, that certain Mortgage, Assignment of Leases and Rents, Security Agreement, Financing Statement and Fixture Filing given by Borrower (therein referred to as "**Mortgagor**") to Administrative Agent (therein referred to as "**Mortgagee**") dated as of even date herewith (the "**Mortgage**"), encumbering certain real property and appurtenances located and known as 256 County Route 117 in Perth, New York, as more particularly described in the Mortgage (the "**Property**"). This Note is one of the Notes to which the Mortgage refers. Administrative Agent and Lender shall be entitled to all rights, remedies, and benefits as provided by the Mortgage and shall have all rights to enforce the covenants and agreements therein. The covenants, conditions, and agreements contained in the Mortgage and other Loan Documents are hereby made a part of this Note to the extent and with the same force as if they were fully set forth herein.

**Section 1.02 Definitions.** Unless otherwise specified herein, all capitalized terms used herein but not defined herein shall have the meanings given such terms in the Mortgage. When used in this Note, the following terms shall have the following meanings:

"**Administrative Agent**" has the meaning set forth in the Preamble.

"**Applicable Interest Rate**" has the meaning set forth in Section 2.02(a).

"**Borrower**" has the meaning set forth in the Preamble.

"**Cannabis Business**" means (a) the business of acquiring, cultivating, manufacturing, extracting, testing, producing, processing, possessing, selling (at retail or wholesale), dispensing, donating, distributing, transporting, packaging, labeling, marketing or disposing of cannabis, marijuana or related substances or products containing or relating to the same, and all ancillary activities related to the foregoing, including leasing the real property on which any such activity is conducted and (b) the business of managing or supporting the business described in clause (a) above, and all ancillary or complimentary activities related to the foregoing, including owning the real property on which any such activity is conducted.

"**Chicago Atlantic**" has the meaning set forth in the Preamble.

"**Default Rate**" has the meaning set forth in Section 2.04(e).

"**Event of Default**" has the meaning set forth in Section 4.01.

"**Federal Funds Rate**" means, for any period, a fluctuating per annum interest rate (rounded upwards, if necessary, to the nearest 1/100 of one percentage point) for each day during such period equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by Administrative Agent from three federal funds brokers of recognized standing selected by Administrative Agent.

"**Governmental Authority**" means any nation, sovereign or government, any state or other political subdivision thereof, any agency, authority or instrumentality thereof and any entity or authority exercising executive, legislative, taxing, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing, including any central bank stock exchange regulatory body arbitrator, public sector entity, supra-national entity (including the European Union and the European Central Bank) and any self-regulatory organization (including the National Association of Insurance Commissioners).

"**Holder**" means "Lender" (as defined in each Note).

"**Indemnified Claims**" means all claims, demands, liabilities, obligations, losses, damages (subject to the terms of Section 6.08(b)), fines, fees, penalties, actions, judgments, suits, awards, remedial response costs, expenses or disbursements of any kind or nature whatsoever (including reasonable and documented (in summary form) attorneys', accountants', consultants' or paralegals' fees and expenses and auctioneers' fees and expenses), which may at any time be imposed on, incurred by or asserted against any Indemnitee in any way relating to or arising out of this Note, any other Loan Document, or any other document contemplated by this Note, including any of the foregoing in any way relating to or arising out of (a) the administration, performance or enforcement by Administrative Agent or any Holder of any of the Loan Documents or consummation of any of the transactions described therein, (b) the existence of, perfection of, a Lien upon or the sale or collection of or other realization upon the Property or any part thereof, (c) the breach of any representation or warranty under this Note or any other Loan Document, or (d) the failure of Borrower or Guarantor to observe, perform or discharge any of such Person's covenants or duties under any of the Loan Documents, in each case including any cost or expense (including reasonable and documented (in summary form) attorneys', accountants', consultants' or paralegals' fees and expenses and auctioneers' fees and expenses) incurred by any Indemnitee in connection with any investigation, litigation, arbitration or other judicial or non-judicial proceeding, whether or not such Indemnitee is a party thereto.

"**Indemnitees**" means Administrative Agent, each Holder and each of their respective officers, directors, members, managers, partners, agents, advisors, attorneys and Affiliates.

"**Intercreditor Agreement**" has the meaning set forth in Section 6.13.

"**Lender**" has the meaning set forth in the Preamble.

"**Licensing Division**" means each Governmental Authority authorized under any laws of the state of New York to regulate the growth, processing, manufacturing, testing, transportation, distribution, dispensation, and sale of cannabis.

"**Loan**" has the meaning set forth in the Preamble.

"**Make-Whole Amount**" means, with respect to any voluntary prepayment of the Loan or any repayment in connection with an acceleration of the Loan on or prior to May 26, 2027, an amount equal to the greater of (a) the sum of all payments of interest on the Loan that would be due from the date of such prepayment or repayment through May 26, 2027, if no prepayment or repayment of the Loan was made on or prior to May 26, 2027, and (b) 2.00% of the aggregate amount of the Loan.

"**Maturity Date**" has the meaning set forth in Section 2.03(c).

"**Monthly Payment Date**" has the meaning set forth in Section 2.03(b).

"**Note**" has the meaning set forth in the Preamble.

"**Prime Rate**" has the meaning set forth in Section 2.02(a).

"**Required Holders**" means the Holder or Holders holding more than fifty percent (50.00%) of the outstanding principal amount of the Obligations; provided, however, that Required Holders must include any Holder that is an Affiliate of Chicago Atlantic.

"**Rescindable Amount**" has the meaning set forth in Section 2.05.

"**Restricted Cannabis Activities**" means, in connection with the cultivation, distribution, sale and possession of cannabis and related products, each of the following: (a) any activity that is not permitted under applicable US State Cannabis Laws; (b) knowingly distributing or selling cannabis or related products to minors; (c) payments to criminal enterprises, gangs, cartels and Persons subject to Sanctions; (d) non-compliance with applicable anti-terrorism laws and other applicable law relating to money-laundering; (e) diversion of cannabis and related products from states where it is legal under US State Cannabis Law to other states; (f) use of activities permitted under US State Cannabis Law as a cover or pretext for the trafficking of other controlled substances or illegal drugs or other illegal activity; (g) the commission, or making threats, of violence and the use of firearms; (h) growing cannabis and related products on public lands; and (i) directly or indirectly, aiding, abetting or otherwise participating in a common enterprise with any Person or Persons in such activities. For the avoidance of doubt, an activity that becomes a Restricted Cannabis Activity pursuant to a change in US State Cannabis Law shall not be deemed to be a Restricted Cannabis Activity until the later of (x) the date that such new US State Cannabis Law becomes effective, and (y) the date Borrower or Guarantor is required to be compliant with such US State Cannabis Law.

"**Sanctions**" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, or other applicable sanctions authority.

"**Secured Creditors**" means, collectively, (a) Lender, (b) each other Holder, (c) Administrative Agent, (d) each beneficiary of each indemnification obligation undertaken by Borrower or Guarantor under the Loan Documents, (e) any successors, endorsees, transferees and assigns of each of the foregoing to the extent any such transfer or assign is permitted by the terms of this Note and (f) any other holder of any Obligation arising under this Note or any other Loan Document.

"**US Federal Cannabis Law**" means any federal laws of the United States treating cannabis and related products as illegal or as controlled substances.

"**US State Cannabis Law**" means all of the laws, rules, regulations and guidance issued by the Licensing Division and any other law enacted by any state of the United States which implements regulatory or enforcement systems to control the cultivation, distribution, sale or possession of cannabis and related products.

**Section 1.03 Negotiable Instrument.** Borrower agrees that this Note is a negotiable instrument, even though this Note, absent this paragraph, may not otherwise qualify as a negotiable instrument under New York law.

## ARTICLE II
## LOAN ADVANCE AND REPAYMENT

**Section 2.01 Single Advance.** Subject to the terms and conditions set forth herein, and in reliance on Borrower's representations, warranties, and covenants as set forth herein, Lender will fund the Loan in a single advance to Borrower on May 26, 2026. The Loan shall be evidenced by this Note made by Borrower to the order of Lender which shall bear interest and be paid upon the terms and conditions set forth herein.

**Section 2.02 Calculation of Interest.**

(a) **Applicable Interest Rate.** Except as otherwise provided in this Note, (i) from the date of this Note through May 25, 2026, the Loan, and (ii) thereafter, the outstanding balance of the Loan, shall accrue interest at the Applicable Interest Rate (as hereinafter defined) until the Obligations are paid in full, whether at maturity, upon acceleration, by prepayment or otherwise. As used herein and in the other Loan Documents, the term "**Applicable Interest Rate**" means the Prime Rate (as hereinafter defined) plus 5.25% per annum. "**Prime Rate**" means, for any day, a floating rate equal to the rate publicly quoted in The Wall Street Journal's "Bonds, Rates & Yields" table as the "prime rate" on such day; provided, however, that in no event shall the Prime Rate be less than 6.75% per annum. Any change in such prime rate publicly quoted in The Wall Street Journal's "Bonds, Rates & Yields" table shall take effect at the opening of business on first day of the month immediately succeeding the month in which the day specified in the public announcement of such change occurs.

(b) **Computation of Interest.** Interest due on the Loan shall be paid in arrears and calculated based on a 360-day year composed of the actual number of days elapsed for any whole or partial month in which interest is being calculated, except that interest due for a period of less than a full calendar month shall be calculated by multiplying the actual number of days elapsed in such partial month by a daily rate calculated on said 360-day year. Interest on the Loan shall accrue for each day, from and including the date hereof through and including the date of repayment in full.

(c) **No Adjustments.** All payments made by Borrower hereunder or under any other Loan Document payable to Administrative Agent, Lender or their respective Affiliates shall be made shall be made in lawful money of the United States of America, in immediately available funds and free and clear of, and without reduction for, or on account of, any income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions, or withholding imposed, levied, collected, withheld, or assessed by any Governmental Authority or any claim, counterclaim, defense, recoupment, deduction or setoff of any Person. If any such amounts are required to be withheld from amounts payable to Administrative Agent, Lender or any such Affiliate, the amounts payable thereto shall be increased by such amounts. If any such amounts are payable by Borrower, Borrower shall pay all such amounts by their due date and promptly send Administrative Agent a copy of an original official receipt showing payment thereof. Borrower shall indemnify Administrative Agent, Lender and their respective Affiliates for any taxes, interest, or penalties that may become payable by any such Person as a result of any such failure by Borrower to pay such amounts as they become due.

(d) **Increased Cost of Maintaining Interest; Right of Acceleration.**

(i) If any law, regulation, rule, or guideline hereafter is enacted or modified, whether or not they have the force of law, and compliance therewith results in an increase in the cost to Lender (including, without limitation, a reduction in the income received by Lender) in making, funding, or maintaining interest on the Loan at the interest rate herein provided, then, within ten (10) Business Days after written demand by Lender, Borrower shall pay Lender the additional amounts necessary to compensate Lender for such increased costs.

(ii) Without limiting the foregoing, if Borrower is prohibited by Applicable Law from paying any amount due to Lender under Section 2.02(c) or this Section 2.02(d), Lender may elect to declare the unpaid principal balance of the Loan, together with all unpaid interest accrued thereon and all other amounts due hereunder and under the other Loan Documents, due and payable within thirty (30) days of Lender's written notice to Borrower in which event no prepayment penalty or premium shall be due. Lender's delay or failure in accelerating the Loan upon the discovery or occurrence of an event under Section 2.02(c) or this Section 2.02(d) shall not be deemed a waiver or estoppel against the exercise of such right.

**Section 2.03 Loan Payments.**

(a) **Payment at Closing.** If the Loan is funded on a date other than the first day of a calendar month, Borrower shall pay to Administrative Agent, for the benefit of Lender, at the time of funding an interest payment calculated by multiplying (i) the number of days from and including the Effective Date to (and including) the last day of such calendar month by (ii) a daily rate based on the Applicable Interest Rate.

(b) **Monthly Debt Service.** On the first day of each calendar month (each, a "**Monthly Payment Date**") during the term of this Note commencing on July 1, 2026, Borrower shall pay to Administrative Agent, for the benefit of Lender, in immediately available funds equal monthly installments of interest only in the amount of interest that has accrued on the Loan at the Applicable Interest Rate during the applicable payment period.

(c) **Maturity Date.** On May 22, 2028 (the "**Maturity Date**"), subject, however, to Administrative Agent's right to accelerate the Loan and the other Obligations after an Event of Default, Borrower shall pay the outstanding principal balance of the Loan, together with all accrued and unpaid interest thereon and all other unpaid amounts and Obligations due under this Note, the Mortgage, and the other Loan Documents which shall become immediately due and payable in full, *time being of the essence*.

**Section 2.04 Payments Generally.**

(a) **Delivery of Payment.** All payments due to Administrative Agent, Lender and their respective Affiliates under this Note or the other Loan Documents are to be paid to Administrative Agent, for the benefit of such Person.

(b) **Credit for Payments.** All payments of interest, principal, and all other sums due hereunder or under any other Loan Document to Administrative Agent, Lender or their respective Affiliates shall be made no later than 12:00 p.m. Eastern Time on the date on which such payment is due by check, or by wire transfer of immediately available funds, to Administrative Agent's account (for the benefit of such payee) at the address designated by Administrative Agent in writing to Borrower from time to time. Whenever any payment shall be due on a day that is not a Business Day, such payment shall be due on the next succeeding Business Day and such extension will be taken into account in calculating the amount of interest payable under this Note.

(c) **Invalidated Payments.** If any payment received by Administrative Agent, Lender or any of their respective Affiliates is deemed by a court of competent jurisdiction, pursuant to a final, non-appealable order, to be a voidable preference or a fraudulent conveyance under any applicable bankruptcy, insolvency, or other debtor relief law, and is required to be returned by such Person, then the obligation to make such payment shall be reinstated, and such payment shall be immediately due and payable upon demand notwithstanding that this Note may have been marked satisfied and returned to Borrower or otherwise canceled. If, prior to any of the foregoing, any security interest or other Lien securing the Obligations shall have been released or terminated, such security interest, other Lien or provision shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligations of Borrower in respect of any security interest or other Lien securing such obligation or the amount of such payment.

(d) **Late Charges.** If any payment or sum due under this Note (other than the payment due at maturity or acceleration), is not paid in full within five (5) Business Days of the due date, Lender may charge Borrower an amount equal to five percent (5.00%) of the overdue amount (the "**Late Charges**") as liquidated damages. Late Charges are to defray the expenses incurred in connection with handling and processing and the loss of use of such funds, which expenses would be impracticable to quantify. Borrower acknowledges that the Late Charges are a reasonable estimate of such expenses. Unpaid Late Charges shall be added to the Debt.

(e) **Default Interest Rate.** Upon the occurrence and during the continuance of an Event of Default, the interest rate on the Loan and the other Obligations shall increase to the Applicable Interest Rate plus five (5) percentage points (the "**Default Rate**"). Interest shall continue to accrue at the Default Rate until such Event of Default has been cured or waived, or until full payment of the delinquent amount has been received. In addition, Administrative Agent, Lender and their respective Affiliates shall have the right, without acceleration of the Loan, to collect interest at the Default Rate on any payment due hereunder or under any other Loan Document which is not received by Administrative Agent, Lender or their respective Affiliates on or before the date on which such payment is due (subject to any applicable grace period). Interest at the Default Rate shall accrue on any judgment obtained by Administrative Agent, Lender or their respective Affiliates in connection with any enforcement of the Loan or any of the obligations due under this Note or the other Loan Documents until such judgment is paid in full with interest at the Default Rate. Borrower acknowledges that it would be extremely difficult or impracticable to determine the actual damages of Administrative Agent, Lender or their respective Affiliates resulting from any default, and the Default Rate is a reasonable estimate of those damages and does not constitute a penalty.

(f) **Application of Payments.** Except after an Event of Default, all payments made by Borrower shall be applied to the payment of: first, the outstanding fees, costs and expenses of Administrative Agent; second, the outstanding fees, costs and expenses of Lender and each other Holder; third, Late Charges (as defined in each Note); fourth, advances made by Lender or any other Holder to protect the Property or to perform an Obligation that Borrower or Guarantor fails to perform; fifth, accrued and unpaid interest at the Applicable Interest Rate or the Default Rate, as applicable; sixth, the outstanding principal amount of the Obligations; and seventh, all other outstanding Obligations. Notwithstanding the foregoing, during the continuance of an Event of Default, all payments made hereunder may be applied by Administrative Agent in such order, priority and in such proportion as Administrative Agent shall elect in its discretion. No amount repaid hereunder may be reborrowed.

**Section 2.05 Incorrect Payments**. Unless Administrative Agent shall have received notice from Borrower prior to the date on which any payment is due to Administrative Agent for the account of Lender hereunder that Borrower will not make such payment, Administrative Agent may assume that Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute the amount due to Lender. With respect to any payment that Administrative Agent makes for the account of Secured Creditors hereunder as to which Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment referred to as the "**Rescindable Amount**"): (a) Borrower has not in fact made such payment; (b) Administrative Agent has made a payment in excess of the amount so paid by Borrower (whether or not then owed); or (c) Administrative Agent has for any reason otherwise erroneously made such payment, then each applicable Secured Creditor severally agrees to repay to Administrative Agent forthwith on demand the amount so distributed to such Secured Creditor, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation.

**Section 2.06 Usury Savings Clause.** At no time is Borrower required to pay interest on the Loan or on any other Obligation at a rate which would subject Administrative Agent, Lender or their respective Affiliates either to civil or criminal liability as a result of being in excess of the maximum interest rate permitted by law. If interest, or any amount deemed interest, whether paid or payable by Borrower exceeds or is deemed to exceed the maximum interest rate permitted by Applicable Law, then the amount to be paid shall be reduced by such amount so that the amount to be paid shall not exceed the maximum rate permitted by Applicable Law. Any payments made in excess of such maximum interest rate shall be deemed to have been payments of principal in inverse order of maturity and not of interest.

## ARTICLE III
## LOAN PREPAYMENT

**Section 3.01 Prepayment.** Borrower acknowledges that Lender is making the Loan at the Applicable Interest Rate and upon the other terms herein set forth in reliance upon Borrower's promise not to prepay the Loan except as permitted herein. Except as expressly provided in Section 3.02, Borrower agrees that Borrower shall have no right to prepay all or any part of the Loan.

**Section 3.02 Permitted Prepayments.** Borrower may, at its option, prepay the Loan in its entirety on the last Business Day of any calendar month; provided, however, that Administrative Agent may agree, in its discretion, to permit such prepayment to occur on another Business Day. Borrower shall give Administrative Agent prior written notice of at least ninety (90) days (or such shorter amount of notice permitted by Administrative Agent in writing in its discretion) before such prepayment, and such notice shall be irrevocable. In the event that Borrower elects to so prepay the Loan or in the event that the Loan is accelerated upon or after the occurrence of an Event of Default, such prepayment or repayment may be made by paying the then outstanding aggregate principal amount of the Loan, together with all accrued and unpaid interest and the applicable Make-Whole Amount; provided, however, that if Lender participates in the financing facilitating such prepayment or repayment, no Make-Whole Amount shall be due.

## ARTICLE IV
## EVENTS OF DEFAULT AND REMEDIES

**Section 4.01 Events of Default.** The occurrence of any of the following events shall constitute an event of default (each, an "**Event of Default**") under this Note:

(a) **Failure to Pay.** Borrower fails (i) to pay the amount due on the Maturity Date, (ii) to pay any monthly interest payment due under this Note within five (5) Business Days of when due, (iii) to pay any other payment due under this Note within five (5) Business Days of written notice from Administrative Agent that such payment was not received when due, or (iv) to perform any other non-monetary obligation due under this Note within thirty (30) days after written notice from Administrative Agent specifying such failure (provided that if such non-monetary default is of a nature that it cannot reasonably be cured within such thirty (30) day period, Borrower shall have such additional time as may be reasonably necessary, up to a maximum of ninety (90) days, so long as Borrower commences cure within such thirty (30)-day period and diligently pursues such cure to completion).

(b) **Loan Document Cross-Default.** Any default beyond applicable notice and cure periods shall occur under any other Loan Document.

(c) **Change in Law**. The occurrence of any adverse change after the date hereof in Applicable Law, including US Federal Cannabis Law or US State Cannabis Law, or the application, administration or interpretation thereof by any Governmental Authority, (i) that would make it unlawful for Administrative Agent or any Holder to (A) continue to be a party to any Loan Document, (B) perform any of its obligations hereunder or under any other Loan Document or (C) to fund or maintain the Loan, (ii) pursuant to which any Governmental Authority has enjoined Administrative Agent or any Holder from (A) continuing to be a party to any Loan Document, (B) performing any of its obligations hereunder or under any other Loan Document or (C) funding or maintaining the Loan, (iii) pursuant to which any Governmental Authority requires (A) confidential information from or disclosure of confidential information about any investor in Administrative Agent, any Holder or any Affiliate thereof or (B) Administrative Agent or any Holder to obtain any license, permit, registration, certificate or approval, in each case, to (x) continue to be a party to any Loan Document, (y) perform any of its obligations hereunder or under any other Loan Document or (z) fund or maintain the Loan or (iv) Borrower shall engage in any Restricted Cannabis Activity.

**Section 4.02 Remedies.** During the continuance of an Event of Default, Administrative Agent may, in its discretion, or shall, at the direction of Required Holders, exercise all rights and remedies at law or in equity available to Administrative Agent and Holders under this Note, the Mortgage, and the other Loan Documents, which rights and remedies are incorporated herein by specific reference.

(a) **Remedies Cumulative.** The rights and remedies available to Secured Creditors shall be cumulative and may be exercised independently, concurrently, or successively in the discretion of Administrative Agent or as directed by Required Holders on one or more occasions, as applicable.

(b) **Notice and Demand Waived.** Notice or demand given to Borrower in any instance shall not, by itself, entitle Borrower to notice or demand in a similar or subsequent instance nor shall any such notice or demand constitute a waiver by any Secured Creditor of its rights to take any further action without notice or demand.

(c) **Partial Exercise.** No partial exercise by any Secured Creditor of any right or remedy exercised pursuant to this Note shall preclude further exercise of such remedy or the exercise of any other remedy available to such Secured Creditor in contract, at law, or in equity.

(d) **No Prejudice to Secured Creditors' Rights.** Secured Creditors may release security for the Obligations, may release any party liable for the Obligations, may grant extensions or forbearances with respect thereto, and may apply any security held to repayment of the Obligations, in each case, without prejudice to the rights of Secured Creditors under this Note and the other Loan Documents. No Secured Creditor shall be deemed as a consequence of its delay or failure to act, or by granting any releases, extensions, forbearances, or by applying any security to the balance due, to have waived or be estopped from exercising any rights and remedies such Person may have under the Loan Documents or at law or in equity.

## ARTICLE V
## ADMINISTRATIVE AGENT

**Section 5.01 Appointment**. Lender hereby appoints Chicago Atlantic as its Administrative Agent under and for purposes of each Loan Document and hereby authorizes Administrative Agent to act on behalf of Lender under each Loan Document and, in the absence of other written instructions from Lender pursuant to the terms of the Loan Documents received from time to time by Administrative Agent, to exercise such powers hereunder and thereunder as are specifically delegated to or required of Administrative Agent by the terms hereof and thereof, together with such powers as may be incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Note, Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Note or any other Loan Document or otherwise exist against Administrative Agent.

**Section 5.02 Delegation of Duties**. Administrative Agent may execute any of its duties under this Note and the other Loan Documents by or through agents or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in fact selected by it with reasonable care.

**Section 5.03 Exculpatory Provisions**. Neither Administrative Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Note or any other Loan Document (except to the extent that any of the foregoing are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence, bad faith or willful misconduct) or (b) responsible in any manner to Lender for any recitals, statements, representations or warranties made by Borrower or Guarantor or any officer thereof contained in this Note or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by Administrative Agent under or in connection with, this Note or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Note or any other Loan Document or for any failure of Borrower or other Person to perform its obligations hereunder or thereunder. Administrative Agent shall not be under any obligation to Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Note or any other Loan Document, or to inspect the properties, books or records of Borrower or guarantor.

**Section 5.04** **Non-Reliance**. Lender expressly acknowledges that neither Administrative Agent, nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates have made any representations or warranties to it and that no act by Administrative Agent hereafter taken, including any review of the affairs of Borrower or guarantor, shall be deemed to constitute any representation or warranty by Administrative Agent to Lender.

**Section 5.05** **Enforcement by Administrative Agent**.

(a) All rights of action under this Note and the other Loan Documents shall be instituted, maintained, pursued or enforced by Administrative Agent. Any suit or proceeding instituted by Administrative Agent in furtherance of such enforcement shall be brought in Administrative Agent's name without the necessity of joining Lender. In any event, the recovery of any judgment by Administrative Agent shall be for the benefit of Lender, subject to the reimbursement of expenses and costs of Administrative Agent.

(b) Administrative Agent may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of Administrative Agent, its agents, financial advisors and counsel) and Lender allowed in any judicial proceedings relative to Borrower or any guarantor, or any of their respective creditors or property, and shall be entitled and empowered to collect, receive and distribute any monies, securities or other property payable or deliverable on any such claims, and any custodian in any such judicial proceedings is hereby authorized by Lender to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to Lender, to pay to Administrative Agent any amount due to Administrative Agent for the reasonable compensation, expenses, disbursements and advances of Administrative Agent, its agents, financial advisors and counsel, and any other amounts due Administrative Agent under this Note or any other Loan Document. Nothing contained in this Note or the Loan Documents shall be deemed to authorize Administrative Agent to authorize or consent to or accept or adopt on behalf of Lender any plan of reorganization, arrangement, adjustment or composition affecting this Note or any other Loan Document, or the rights of any holder thereof, or to authorize Administrative Agent to vote in respect of the claim of Lender in any such proceeding.

**Section 5.06** **Restrictions on Actions by Secured Creditors; Sharing of Payments**.

(a) Lender agrees that it shall not, without the express written consent of Administrative Agent, and that it shall, to the extent it is lawfully entitled to do so, upon the written request of Administrative Agent, set off against the Obligations, any amounts owing by Lender to Borrower or any deposit accounts of Borrower now or hereafter maintained with Lender. Lender further agrees that it shall not, unless specifically requested to do so in writing by Administrative Agent, take or cause to be taken any action, including, the commencement of any legal or equitable proceedings to enforce any Loan Document against Borrower or to foreclose any Lien on, or otherwise enforce any security interest in, any of the Property or any other collateral for the Obligations.

(b) If at any time or times Lender shall receive (i) by payment, foreclosure, setoff, or otherwise, any proceeds of any of the Property or any other collateral for the Obligations or any payments with respect to the Obligations, except for any such proceeds or payments received by Lender from Administrative Agent pursuant to the terms of this Note, or (ii) payments from Administrative Agent in excess of Lender's pro rata share of all such distributions by Administrative Agent, Lender promptly shall (A) turn the same over to Administrative Agent, in kind, and with such endorsements as may be required to negotiate the same to Administrative Agent, or in immediately available funds, as applicable, for the account of all Holders and for application to the Obligations in accordance with the applicable provisions of the Notes, or (B) purchase, without recourse or warranty, an undivided interest and participation in the Obligations owed to the other Holders so that such excess payment received shall be applied ratably as among Holders in accordance with their pro rata shares; provided that to the extent that such excess payment received by the purchasing party is thereafter recovered from it, those purchases of participations shall be rescinded in whole or in part, as applicable, and the applicable portion of the purchase price paid therefor shall be returned to such purchasing party, but without interest except to the extent that such purchasing party is required to pay interest in connection with the recovery of the excess payment.

(c) The benefit of the provisions of the Loan Documents directly relating to any of the Property or any other collateral for the Obligations or any Lien granted with respect thereto shall extend to and be available to any Secured Creditor that is not Administrative Agent or Lender as long as, by accepting such benefits, such Secured Creditor agrees, as among Administrative Agent and all other Secured Creditors, that such Secured Creditor is bound by (and, if requested by Administrative Agent, shall confirm such agreement in a writing in form and substance acceptable to Administrative Agent) this Article V, including Sections 5.06(a) and 5.06(b), and the decisions and actions of Administrative Agent and, as applicable, Required Holders to the same extent Lender is bound; provided that, notwithstanding the foregoing, (i) except as set forth specifically herein, Administrative Agent and Lender shall be entitled to act in its discretion, without regard to the interest of such Secured Creditor, regardless of whether any Obligation to such Secured Creditor thereafter remains outstanding, is deprived of the benefit of any of the Property or any other collateral for the Obligations, becomes unsecured or is otherwise affected or put in jeopardy thereby, and without any duty or liability to such Secured Creditor or any such Obligation and (ii) except as specifically set forth herein, such Secured Creditor shall not have any right to be notified of, consent to, direct, require or be heard with respect to, any action taken or omitted in respect of any of the Property or any other collateral for the Obligations or under any Loan Document.

(d) Without limitation of any other provision in this Note, if at any time Administrative Agent makes a payment hereunder in error to Lender, whether or not in respect of an Obligation due and owing by Borrower or Guarantor at such time, where such payment is a Rescindable Amount, then in any such event, Lender severally agrees to repay to Administrative Agent forthwith on demand the Rescindable Amount received by Lender in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation. Lender irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. Administrative Agent shall inform Lender promptly upon determining that any payment made to Lender comprised, in whole or in part, a Rescindable Amount.

**Section 5.07 Collateral**.

(a) Administrative Agent hereby appoints each other Secured Creditor as its agent and as sub-agent for the other Secured Creditors (and each Secured Creditor hereby accepts such appointment) for the purpose of perfecting all Liens with respect to the Property and any other collateral for the Obligations, including with respect to assets which, in accordance with Article 8 or Article 9, as applicable, of the Uniform Commercial Code of any applicable state can be perfected only by possession or control. Should any Secured Creditor obtain possession or control of any of the Property or any other collateral for the Obligations, such Secured Creditor shall notify Administrative Agent thereof, and, promptly upon Administrative Agent's request therefor, shall deliver possession or control thereof to Administrative Agent and take such other actions as agent or sub-agent in accordance with Administrative Agent's instructions to the extent, and only to the extent, so authorized or directed by Administrative Agent.

(b) Each Secured Creditor acknowledges that the Loan, all other Obligations and all interest, fees and expenses hereunder constitute one indebtedness, secured by all of the Property and any other collateral for the Obligations. Lender hereby directs, in accordance with the terms of this Note and the other Loan Documents, as applicable, Administrative Agent to release any Lien held by Administrative Agent in connection with this Note and the other Loan Documents against (i) any of the Property or any other collateral to be released pursuant to the express terms of this Note or any other Loan Document and (ii) all of the Property and any other collateral for the Obligations upon the payment in full of the Obligations and termination of this Note.

(c) Lender hereby directs Administrative Agent to execute and deliver or file or authorize the filing of such termination and partial release statements and do such other things as are necessary to release Liens to be released pursuant to this Section 5.07 promptly upon the effectiveness of any such release. Upon request by Administrative Agent at any time, Lender will confirm in writing Administrative Agent's authority to release particular types or items of collateral pursuant to this Section 5.07.

**Section 5.08 Indemnification**. Lender, together with the other Holders, agrees to indemnify Administrative Agent in its capacity as such (to the extent not reimbursed by Borrower or Guarantor and without limiting the obligation of Borrower and Guarantor to do so), pro rata (as determined on the date on which indemnification is sought under this Section 5.06 (or, if the loans made or held by Holders shall have been paid in full, pro rata as immediately prior to such date)), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loan) be imposed on, incurred by or asserted against Administrative Agent in any way relating to or arising out of, the Loan, this Note, any of the other Loan Documents, or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by Administrative Agent under or in connection with any of the foregoing; provided that Lender shall not be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from Administrative Agent's gross negligence, bad faith or willful misconduct. The agreements in this Section 5.06 shall survive the payment of the Loan and all other Obligations.

**Section 5.09 Successor Administrative Agent.** Administrative Agent may resign as Administrative Agent upon prior notice of at least twenty (20) days to Lender and Borrower. If Administrative Agent shall resign as Administrative Agent in its applicable capacity under this Note and the other Loan Documents, then Administrative Agent or Required Holders shall appoint a successor agent, whereupon such successor agent shall succeed to the rights, powers and duties of Administrative Agent in its applicable capacity, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent in its applicable capacity shall be terminated, without any other or further act or deed on the part of such former Administrative Agent, Borrower or any Holder. If no applicable successor agent has accepted appointment as Administrative Agent in its applicable capacity by the date that is twenty (20) days following such retiring Administrative Agent's notice of resignation, such retiring Administrative Agent's resignation

shall nevertheless thereupon become effective and Holders shall assume and perform all of the duties of Administrative Agent hereunder until such time, if any, as Administrative Agent or Required Holders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Article V shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Note and the other Loan Documents. Notwithstanding the foregoing, Chicago Atlantic may resign as Administrative Agent, and choose a successor for such capacity, without notice to, or the consent of, Holders (including Required Holders) if such successor is an Affiliate of Chicago Atlantic.

## ARTICLE VI
## MISCELLANEOUS

**Section 6.01 Incorporation by Reference.** The following Sections of the Mortgage are incorporated into this Note in their entirety by specific reference, as if fully set out herein, mutatis mutandis: Section 9.03 (entitled: Omnibus Provisions Pertaining to Mortgagee's Rights and Remedies); Section 10.01 (entitled: Notices); Section 10.03 (entitled: No Joint Venture; No Third-Party Beneficiaries); Section 10.04 (entitled: Mortgagee Approval); and Section 10.09 (entitled: Waiver of Jury Trial).

**Section 6.02 Governing Law.** This Note and any claim, controversy, dispute or cause of action (whether in contract, equity, tort or otherwise) based upon, arising out of or relating to this Note and the transactions contemplated hereby shall be governed by the laws of the State of New York without giving effect to its principles of choice of law or conflicts of law.

**Section 6.03 Waivers.** To the extent permitted by Applicable Law, Borrower hereby waives presentment, demand for payment, protest, notice of dishonor, notice of protest or nonpayment, notice of intent to accelerate and notice of acceleration of maturity, in each case, in connection with the enforcement of this Note or the taking of any action to collect sums owing hereunder. Nothing in this Section 6.03 shall be construed as a waiver of any notice expressly required under any other provision of this Note or the other Loan Documents.

**Section 6.04 Severability.** If any term or provision of this Note is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Note or invalidate or render unenforceable such term or provision in any other jurisdiction.

**Section 6.05 Time of Essence.** Time shall be of the essence with respect to all of Borrower's Obligations under this Note.

**Section 6.06 Use of Funds.** Borrower hereby warrants, represents, and covenants to use the proceeds of the Loan (a) to finance, in part, the purchase price for the Property, (b) to fund the payment of the fees, costs and expenses associated with the closing of the transactions contemplated by this Note and the other Loan Documents, in each case, to the extent consistent with the terms of the Loan Documents and Applicable Law, and (c) solely for business or commercial purposes and not for personal, family, or household purposes. Borrower shall not request the borrowing of the Loan, and Borrower shall not use, and shall ensure that its directors, officers, employees and agents shall not use, the proceeds of the Loan in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any anti-corruption laws or anti-terrorism laws.

**Section 6.07 Entire Agreement; Amendments.**

(a) This Note and the other Loan Documents, together with all other instruments, agreements, and certificates executed by the parties in connection therewith or with reference thereto, embody the entire understanding and agreement between the parties hereto and thereto with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings and inducements, whether express or implied, oral or written.

(b) Neither this Note nor any other Loan Document, nor any terms hereof or thereof, may be amended, supplemented, modified or waived except (i) in accordance with the provisions of this Section 6.07 or (i) as otherwise provided herein or in the other Loan Documents with respect to certain agreement, waiver and consent rights that may be exercised by Administrative Agent. Administrative Agent may, Required Holders may, or, at the direction of Required Holders, Administrative Agent shall, from time to time, enter into with the relevant Person(s) written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Note or the other Loan Documents or changing in any manner the rights of Holders or Borrower or Guarantor hereunder or thereunder, waive, on such terms and conditions as Required Holders or Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Note or the other Loan Documents or any Event of Default and its consequences or consent to any acts or omissions of Borrower or Guarantor hereunder or under any other Loan Document that, but for such consent, would constitute an Event of Default hereunder or thereunder.

**Section 6.08 General Indemnity; Waiver of Consequential Damages.**

(a) **Indemnity**. Borrower hereby agrees to indemnify and defend the Indemnitees against and to hold the Indemnitees harmless from any Indemnified Claim that may be instituted or asserted against or incurred by any Indemnitee. Without limiting the generality of the foregoing, this indemnity shall extend to any Indemnified Claims instituted or asserted against or incurred by any Indemnitee under any Environmental Laws or with respect to any environmental liability of Borrower. The foregoing indemnities shall not apply to Indemnified Claims (i) incurred by any Indemnitee as a result of its own gross negligence or willful misconduct as determined by a final non-appealable order of a court of competent jurisdiction or (ii) disputes arising solely between Indemnitees and (A) not involving any action or inaction by Administrative Agent, any Holder or any of their respective Affiliates or (B) not relating to any action of such Indemnitee in its capacity as Administrative Agent. Notwithstanding anything to the contrary in any of the Loan Documents, the obligations of Borrower with respect to each indemnity given by it in this Note or any of the other Loan Documents in favor of Administrative Agent and each Holder shall survive the payment in full of the Obligations and termination of the Loan Documents.

(b) **Waiver of Consequential Damages, Etc**. Each party to this Note agrees not to assert, and each such party hereby waives, any claim against any other party, on any theory of liability, for consequential, punitive or speculative damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Note or any other Loan Document; provided that nothing in this Section 6.08(b) shall relieve Borrower of any obligation it may have to indemnify an Indemnitee under Section 6.08(a) against consequential, punitive or speculative damages asserted against such Indemnitee by a third party.

**Section 6.09 Counterparts.**

(a) This Note may be executed in any number of counterpart signature pages, and by the different parties on different counterparts, each of which when executed shall be deemed an original but all such counterparts taken together shall constitute one and the same instrument. This Note will be deemed executed by the parties when each has signed it and delivered its executed signature page to Administrative Agent by facsimile transmission, electronic transmission or physical delivery. Delivery of an executed counterpart of a signature page of this Note by facsimile or in electronic (e.g., "DocuSign", "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Note. No party hereto shall raise the use of a facsimile machine or digital imaging and electronic mail to deliver a signature or the fact that any signature was transmitted or communicated through the use of a facsimile machine or digital imaging and electronic mail as a defense to the formation of a contract and each such Party forever waives any such defense.

(b) The words "execution," "signed," "signature," and words of similar import in this Note shall be deemed to include electronic or digital signatures or electronic records, each of which shall be of the same effect, validity, and enforceability as manually executed signatures or a paper-based record-keeping system, as the case may be, to the extent and as provided for under Applicable Law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 U.S.C. §§ 7001 to 7031), the Uniform Electronic Transactions Act (UETA), or any state law based on the UETA.

**Section 6.10 Sale or Pledge of Note.** Lender shall have the absolute and unrestricted right at any time or from time to time, and without consent by Borrower, or any guarantor, indemnitor, or other person, to sell, pledge or assign all or any portion of this Note and the Loan evidenced by this Note and the Loan Documents, and/or grant or sell participation interests therein, to one or more Persons. Lender shall endeavor to use good faith, commercially reasonable efforts to promptly provide Borrower with written notice of the same, but the failure to do so shall not constitute a breach of this Note. Borrower shall, and shall cause any guarantor and indemnitor to, execute, acknowledge and deliver any and all instruments reasonably requested by Lender to evidence that the unpaid Debt evidenced by this Note is outstanding and payable without defense, offset or counterclaim of any kind on the terms and provisions set out in this Note and the other Loan Documents. Such assignee(s) or participant(s) shall have the rights and benefits with respect to this Note and the other Loan Documents as such assignee(s) or participant(s) would have if they were the Lender originally named in this Note.

**Section 6.11 Construction.** The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Note as a whole and not to any particular section, paragraph or subdivision. Any pronoun used shall be deemed to cover all genders. References in this Note to "Sections" shall be to the Sections of this Note unless otherwise specifically provided. All references in this Note or any other Loan Document to statutes shall include all amendments of same and implementing regulations and any successor statutes and regulations; to any instrument, document or agreement shall include any and all modifications and supplements thereto and any and all restatements, extensions or renewals thereof to the extent such modifications, supplements, restatements, extensions or renewals of any such instrument, document or agreement are permitted by the terms hereof and thereof; to any Person means and includes the successors and permitted assigns of such Person; or to "including" shall be understood to mean "including, without limitation". Unless the context of this Note clearly requires otherwise, references to the plural include the singular, references to the singular include the plural and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." An Event of Default shall be deemed to exist at all times during the period commencing on the date that such Event of Default occurs to the date on which such Event of Default is waived in writing pursuant to this Note. All references in any Loan Document to the consent, discretion, or satisfaction of, acceptability to or approval by Lender or Administrative Agent shall be deemed to mean the consent, discretion or satisfaction of, acceptability to or approval by Lender or Administrative Agent in its sole and absolute discretion, except as otherwise expressly provided in the applicable Loan Document.

**Section 6.12** **USA PATRIOT Act**. Lender hereby notifies Borrower that it may be required to obtain, verify and record information that identifies Borrower and Guarantor pursuant to the requirements of the USA PATRIOT Act, which information includes the name and address of Borrower and Guarantor and other information that will allow Lender to identify Borrower or Guarantor in accordance with the USA PATRIOT Act.

**Section 6.13** **Intercreditor Agreement**. The Obligations are subordinate, in the manner and to the extent set forth in that certain Intercreditor and Subordination Agreement, dated as of May 26, 2026 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "**Intercreditor Agreement**"), among IIP-NY-2 LLC, a Delaware limited liability company, Borrower, Holders and Administrative Agent to the Senior Indebtedness (as defined therein), and Lender, by its acceptance hereof, acknowledges and agrees to be bound by the provisions of the Intercreditor Agreement. Lender authorizes Administrative Agent to enter into the Intercreditor Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Borrower has executed this Note as of the date set forth above.

**256 COUNTY ROUTE 117 PERTH LLC**,
a Delaware limited liability company

By: /s/ Tyson Macdonald
Name: Tyson Macdonald
Title: Chief Financial Officer

ACKNOWLEDGED AND AGREED:

**CHICAGO ATLANTIC LINCOLN, LLC,**
as Lender

By: /s/ Peter Sack
Name: Peter Sack
Title: Authorized Person

**CHICAGO ATLANTIC FINANCIAL SERVICES, LLC, as Administrative Agent**

By: /s/ Peter Sack
Name: Peter Sack
Title: Authorized Person

**Exhibit 10.7**

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, FINANCING STATEMENT AND FIXTURE FILING**

By

**256 COUNTY ROUTE 117 PERTH LLC, as mortgagor**
**("Mortgagor")**

in favor of

**CHICAGO ATLANTIC FINANCIAL SERVICES, LLC,**
**in its capacity as Administrative Agent, as mortgagee**
**("Mortgagee")**

Dated: May 22, 2026
County: Fulton
Tax/Map ID: 164-5-1 (Parcel One)
Block 5, Lot 5 (Parcel Two)
Premises: **234 and 256 County Route 117, Perth, NY 12095**

**TABLE OF CONTENTS**


| | Page |
|---|---|
| ARTICLE I GRANT OF SECURITY INTERESTS AND OBLIGATIONS SECURED | 2 |
| Section 1.01 Grant to Mortgagee | 2 |
| Section 1.02 Obligations Secured; Incorporation by Reference | 4 |
| Section 1.03 Mortgage as Security Agreement and Financing Statement | 4 |
| Section 1.04 Mortgage as Fixture Filing | 5 |
| ARTICLE II ASSIGNMENT OF LEASES AND RENTS | 5 |
| Section 2.01 Assignment of Leases and Rents | 5 |
| Section 2.02 Revocable License | 6 |
| Section 2.03 Mortgagee's Rights After License Revocation | 6 |
| ARTICLE III SINGLE PURPOSE ENTITY REQUIREMENTS | 7 |
| Section 3.01 Formation and Existence | 7 |
| Section 3.02 Separateness Covenants and Requirements | 7 |
| ARTICLE IV REPRESENTATIONS AND WARRANTIES | 12 |
| Section 4.01 Organization and Legal Status | 12 |
| Section 4.02 Power and Authority; Enforceability | 13 |
| Section 4.03 No Legal Conflict or Impediment | 13 |
| Section 4.04 No Litigation | 14 |
| Section 4.05 Business Purpose of Loan | 14 |
| Section 4.06 Warranty of Title; Perfection and Priority of Lien; Permitted Encumbrances | 14 |
| Section 4.07 Property Condition | 15 |
| Section 4.08 No Condemnation | 15 |
| Section 4.09 Environmental Representations and Warranties; Property Compliance with Law | 15 |
| Section 4.10 Separate Tax Lot | 16 |
| Section 4.11 Flood Zone | 16 |
| Section 4.12 Adequate Utilities | 16 |
| Section 4.13 Public Access | 16 |
| Section 4.14 Boundaries | 16 |
| Section 4.15 Mechanic's Liens | 16 |
| Section 4.16 Special Assessments; Transfer Taxes; and Mortgage Recording Taxes | 16 |
| Section 4.17 Insurance | 16 |
| Section 4.18 Lease | 17 |
| Section 4.19 Property Management | 18 |
| Section 4.20 Financial Condition | 18 |
| Section 4.21 Real Property and Income Taxes | 18 |
| Section 4.22 No Foreign Person | 19 |
| Section 4.23 No Illegal Activity as Source of Funds | 19 |
| Section 4.24 Compliance with Anti-Terrorism, Embargo, Sanctions, and Anti-Money Laundering Laws | 19 |
| Section 4.25 Brokers' and Finders' Fees | 21 |

Section 4.26 Complete Disclosure; No Change in Facts or Circumstances 21
Section 4.27 ERISA Compliance 21
Section 4.28 Acquisition of the Property 21
Section 4.29 Survival 21

ARTICLE V MORTGAGOR COVENANTS AND LOAN REQUIREMENTS 21
Section 5.01 Property Covenants and Requirements 21
Section 5.02 Leasing Covenants 23
Section 5.03 Insurance Coverages 24
Section 5.04 Existence, Financial and Reporting Covenants 27
Section 5.05 Covenants of Continued Cooperation 29

ARTICLE VI MORTGAGEE AS ADMINISTRATIVE AGENT 31

ARTICLE VII CASUALTY AND CONDEMNATION 32
Section 7.01 Provisions Applicable to Casualty and Condemnation 32
Section 7.02 Casualty 34
Section 7.03 Condemnation 35

ARTICLE VIII NO TRANSFERS; DUE ON SALE 36
Section 8.01 Prohibition Against Transfers 36
Section 8.02 Due on Sale 36
Section 8.03 Permitted Transfers 36

ARTICLE IX EVENTS OF DEFAULT; REMEDIES 37
Section 9.01 Events of Default 37
Section 9.02 Mortgagee’s Remedies 39
Section 9.03 Omnibus Provisions Pertaining to Mortgagee’s Rights and Remedies 41

ARTICLE X MISCELLANEOUS 42
Section 10.01 Notices 42
Section 10.02 Usury Saving Clause 44
Section 10.03 No Joint Venture; No Third-Party Beneficiaries 44
Section 10.04 Mortgagee Approval 44
Section 10.05 Performance at Mortgagor’s Expense 44
Section 10.06 Mortgagee’s Right of Assignment 44
Section 10.07 No Merger 45
Section 10.08 After-Acquired Property 45
Section 10.09 Waiver of Jury Trial 45
Section 10.10 New York Statutory Provisions 45
Section 10.11 Amendments, Extensions, and Modifications 47
Section 10.12 Headings; Time of the Essence 47

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, FINANCING STATEMENT AND FIXTURE FILING**

This Mortgage, Assignment of Leases and Rents, Security Agreement, Financing Statement and Fixture Filing (as amended, amended and restated, supplemented, renewed, or otherwise modified from time to time, this "**Mortgage**"), is made as of the 22nd day of May, 2026 ("**Effective Date**"), by **256 COUNTY ROUTE 117 PERTH LLC**, a Delaware limited liability company, having an address at c/o Vireo Growth Inc., 207 South 9th Street, Minneapolis, Minnesota 55402 ("**Mortgagor**") to **CHICAGO ATLANTIC FINANCIAL SERVICES, LLC,** a Delaware limited liability company, as Administrative Agent, having an address at 420 N Wabash Avenue, Suite 500, Chicago, Illinois 60611 (in such capacity, together with its successors and assigns in such capacity, "**Mortgagee**").

**Recitals**

A. This Mortgage is given by Mortgagor to Mortgagee to secure that certain loan to be made on May 26, 2026, in the original principal amount of FORTY-ONE MILLION AND NO/100 DOLLARS ($41,000,000.00) (the "**Loan**").

B. The Loan is evidenced by, among other things, that certain Promissory Note, dated the Effective Date, given by Mortgagor, as borrower, in favor of Chicago Atlantic Lincoln, LLC, as lender (such promissory note, together with any and all extensions, renewals, replacements, restatements, modifications, or consolidations thereof, whether, in each case, one or more, collectively, the "**Notes**" and each, a "**Note**"; all capitalized terms used herein but not defined herein shall have the meanings given such terms in the Note).

C. The Loan is further secured by that certain Guaranty, dated as of the Effective Date, given by Vireo Health, Inc., a Delaware corporation ("**Guarantor**") in favor of Mortgagee, for the benefit of Secured Creditors (the "**Guaranty**").

D. Mortgagee has been indemnified from environmental losses as more fully set out in that certain Environmental and Hazardous Substances Indemnity Agreement dated as of the Effective Date, given jointly by Guarantor, as principal, and Mortgagor, as borrower (the "**Environmental Indemnity**").

E. Each Note, this Mortgage, the Guaranty, the Environmental Indemnity, and all other documents and instruments delivered in connection with the Loan, as each may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, are collectively referred to herein as the "**Loan Documents**."

F. Mortgagor hereby desires to secure the payment of all principal and interest payments that accrue or are due and payable from time to time in accordance with the Notes, together with all other amounts due in accordance with the other Loan Documents (collectively, hereafter the "**Debt**") and to further secure the performance and observance of all obligations of Mortgagor under this Mortgage and the other Loan Documents.

G. The Debt and all covenants, obligations, payments, and liabilities of every kind and nature owed by Mortgagor to Mortgagee or the other Secured Creditors, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereinafter incurred, arising under, out of, or in connection with the Loan and the Loan Documents are hereafter, collectively referred to herein as "**Obligations.**"

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to secure the due and punctual payment and performance of all Obligations as and when the same become due and payable, Mortgagor hereby represents, warrants, covenants, and agrees for the benefit of Mortgagee, for the benefit of Secured Creditors, as follows:

## ARTICLE I
## GRANT OF SECURITY INTERESTS AND OBLIGATIONS SECURED

**Section 1.01 Grant to Mortgagee.** In order to secure the due and punctual payment and performance of all the Obligations as and when the same shall become due, whether at the stated maturity, by acceleration, or otherwise, Mortgagor does hereby MORTGAGE, PLEDGE, BARGAIN, ASSIGN, TRANSFER, WARRANT, CONVEY, AND GRANT, to Mortgagee, for the benefit of Secured Creditors, the following property, rights, interests, and estates, now owned or hereafter acquired by Mortgagor (collectively, "**Property**"):

(a) Land. All that certain tract or parcel of land lying and being in Fulton County, New York and being more particularly described in Exhibit A attached hereto and incorporated herein by reference, together with all utilities, rights, interests, and estates of every kind and nature therein, including and to the full extent owned by Mortgagor, development rights, air rights, water, water rights, and rights to minerals and other natural resources that can be extracted therefrom (collectively, "**Land**").

(b) Improvements. All buildings, structures, and improvements of every kind and nature whatsoever now or hereafter situated on the Land (collectively, "**Improvements**").

(c) Easements and Appurtenances. All easements, rights-of-way or use, strips and gores of land, streets, alleyways, passages, utility reservations, capacity rights, water courses, privileges, liberties, tenements, hereditaments, and appurtenances of any kind or nature belonging, relating, or appertaining to the Land or the Improvements, or any part thereof, including any reversionary or remainder estates together with the income and profits therefrom (collectively, "**Easements and Appurtenances**").

(d) Fixtures. All goods of every kind and nature that become attached to, affixed to, or installed on the Land or Improvements thereby creating rights and interests arising under the New York real property law, including any item defined as fixtures under the Uniform Commercial Code as adopted by New York State (the "**NY UCC**") together with all replacements and substitutions thereof (collectively, "**Fixtures**").

(e) Personal Property. All equipment, building systems, machinery, materials, supplies, and items of personal property of every kind and nature (other than Fixtures) now or hereafter located on or used in connection with the operation of the Land or Improvements, together with all replacements and substitutions thereof (collectively, "**Personal Property**").

(f) Leases and Rents. All Mortgagor's right, title, and interest in all leases, subleases, licenses and other agreements granting another (each, a "**Tenant**") the right to use or occupy any part of the Property (each, a "**Lease**") including that certain agreement captioned "Lease Agreement" (collectively, and as may have been and may be amended from time to time, the "**Vireo NY Lease**") dated as of October 23, 2017, by and between Mortgagor, as landlord and Vireo Health of New York, LLC, a New York limited liability company ("**Vireo NY Tenant**"), including the right to receive and apply Rents (as hereinafter defined). The term "**Rents**" shall mean, collectively:

(i) All rents, additional rents, income, revenues, profits, cash proceeds, and other monetary benefits now due or hereafter becoming due under any Lease;

(ii) All guaranties, letters of credit, promissory notes, security deposits, and other credit support given by any Tenant or guarantor, including the Vireo NY Tenant in connection with the Vireo NY Lease;

(iii) All claims and rights to the payment of damages arising from the rejection of any Lease under the Bankruptcy Reform Act of 1978, codified as 11 U.S.C. § 101 *et seq*., and the regulations issued thereunder, both as hereafter modified from time to time (the "**Bankruptcy Code**"); and

(iv) All rights to casualty and condemnation proceeds assigned to Mortgagor under any Lease.

(g) Property Tax Refunds. All refunds, rebates, and credits in connection with any reduction in Taxes (as hereinafter defined), including rebates as a result of tax certiorari or other such proceedings, except to the extent owed to a Tenant under a Lease. As used in the Loan Documents, "**Taxes**" means all real estate taxes, government assessments or impositions, lienable water charges, lienable sewer rents, assessments due under owner association documents, and all similar charges, now or hereafter levied or assessed against the Land and Improvements.

(h) Proceeds of Property Sale. All proceeds and profits arising from the sale or conversion (voluntary or involuntary) of any Property into cash (whether made in one payment or in a stream of payments) and any liquidation claims applicable thereto.

(i) Intangibles. All chattel paper, claims, trade names, trademarks, service marks, logos, copyrights, goodwill, books and records, and all other general intangibles related to or used in connection with the ownership or operation of the Property.

(j) Property Agreements. All agreements, service contracts, supply contracts, permits, franchises, and licenses (including and to the extent assignable, liquor licenses), if any, pertaining to the ownership or operation of the Property, together with all amendments, restatements, supplements, renewals, extensions, and substitutions thereof and all Mortgagor's rights, if any, to sums due Mortgagor thereunder (collectively, "**Property Agreements**").

(k) Omnibus Rights. Any and all other rights of Mortgagor in and to the Property, including any other rights associated with any Property described in the foregoing subsections (a) through (j) inclusive.

TO HAVE AND TO HOLD the Property and the rights, remedies, and privileges hereby granted and conveyed unto Mortgagee, for the benefit of Secured Creditors, forever, PROVIDED, HOWEVER, if Mortgagor shall pay the Debt and perform all other Obligations in the time and manner provided in the Loan Documents, then the conveyance and granting made herein shall cease and be of no further force and effect.

**Section 1.02 Obligations Secured; Incorporation by Reference**. This Mortgage is given to secure the due and punctual payment and performance of all Obligations set forth in the Notes and other Loan Documents as and when the same shall become due, whether at the stated due date, at maturity, by acceleration, or otherwise. All the covenants, conditions, and agreements contained in the Notes and other Loan Documents are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein. In the event of a conflict between the terms of this Mortgage and any other Loan Document, the terms of this Mortgage shall govern.

**Section 1.03 Mortgage as Security Agreement and Financing Statement**.

(a) Designation as Security Agreement. This Mortgage shall constitute a security agreement and financing statement within the meaning of the NY UCC with respect to all Mortgagor's present and future estate, right, title, and interest in and to such Property conveyed to Mortgagee, for the benefit of Secured Creditors, pursuant to Section 1.01 that is not real property.

(b) Election of Remedies. With respect to Fixtures and Personal Property, upon the occurrence and during the continuance of an Event of Default (as hereinafter defined), Mortgagee shall have the right to proceed against the Fixtures and Personal Property either: (i) in accordance with Mortgagee's rights and remedies under this Mortgage, in which event the provisions of the NY UCC shall not govern; or (ii) separately from the Land in accordance with the NY UCC.

(c) Separate Security Agreements. If Mortgagor has executed and delivered one or more separate security agreements in connection with the Loan, such security agreements and the security interests created thereby are in addition to and not in substitution of this Mortgage and the Liens and security interests created hereby, and this Mortgage shall be in addition to and not in substitution of such security agreements and security interests. In all cases, this Mortgage and the aforesaid security agreements shall be applied and enforced in harmony with and in conjunction with each other to the end that Mortgagee realizes its rights, interests, and remedies in each to the greatest extent permitted by law. If conflicts exist among this Mortgage and such other security agreements, Mortgagee may elect which of such instruments govern with respect to each category of Property encumbered by such instruments and agreements.

**Section 1.04 Mortgage as Fixture Filing.** The filing or recording of this Mortgage shall constitute a fixture filing with respect to that portion of the Property which is or will become Fixtures and Personal Property to the fullest extent permitted under New York law. The "**Secured Party**" is Mortgagee, and the "**Debtor**" is Mortgagor. The name, type of organization, jurisdiction of organization, and addresses of the Secured Party and of the Debtor are set out in the preamble to this Mortgage.

## ARTICLE II
## ASSIGNMENT OF LEASES AND RENTS

**Section 2.01 Assignment of Leases and Rents**.

(a) Absolute Assignment of Leases and Rents. In furtherance of the grant, pledge, and conveyance of the Leases and Rents pursuant to Section 1.01(f), Mortgagor hereby absolutely, presently, irrevocably, and unconditionally grants, assigns, and transfers to Mortgagee, for the benefit of Secured Creditors, to the extent permitted by Applicable Law (as hereinafter defined), all Mortgagor's present and future right, title, interest, and estate in, to, and under all current and future Leases and Rents, and the absolute, present, irrevocable, and unconditional right to receive, collect, and possess all Rents. This assignment constitutes an absolute, present, irrevocable, and unconditional assignment of Leases and Rents, not merely a collateral assignment to further secure the lien of this Mortgage.

(b) Mortgagee Exculpation. Notwithstanding the present, absolute nature of the assignment made under this Article II, such assignment shall not be construed to:

(i) Bind Mortgagee to the performance of any of the covenants, conditions, or provisions contained in any Lease or otherwise impose any obligation upon Mortgagee.

(ii) Create or impose any responsibility, obligation, or liability upon Mortgagee of any kind or nature, including for:

(A) the control, care, maintenance, management, or repair of the Property;

(B) any dangerous or defective condition of the Property, including the presence of any environmental contamination or hazardous condition;

(C) any waste committed on the Property by any Person; or

(D) any negligence in the management, upkeep, repair, or control of the Property.

**Section 2.02 Revocable License**.

(a) Grant of Revocable License. Notwithstanding the present grant, assignment, and transfer of the Leases and Rents from Mortgagor to Mortgagee made in Section 2.01, Mortgagee hereby grants to Mortgagor a revocable license to collect and receive Rents as they become due, and to retain, use, and apply Rents to the payment of the Obligations and to the costs and expenses of operating and maintaining the Property, and to exercise all rights as landlord under any Lease, in each case subject to the terms of this Mortgage and the other Loan Documents.

(b) Revocation of License. Upon the occurrence and during the continuance of an Event of Default, the revocable license granted to Mortgagor pursuant to Section 2.02(a) shall immediately cease without the necessity of notice from Mortgagee and become void and of no further force or effect. Notwithstanding the foregoing, if such Event of Default has been cured and such cure has been accepted in writing by Mortgagee, such revocable license shall be automatically reinstated. Mortgagee's right under this Section 2.02(b) to revoke the revocable license granted hereby is in addition to all other rights and remedies available to Mortgagee at law and in equity. From and after revocation:

(i) Mortgagee shall immediately and automatically be entitled to receive, collect, and possess all Rents, whether or not Mortgagee enters upon or takes control of the Property, has a receiver appointed, or takes any other action permitted by the Loan Documents, at law, or in equity;

(ii) Mortgagor shall immediately, upon written demand by Mortgagee, notify the applicable Tenant under the applicable Lease (or any subsequent tenant under any Lease), in writing, that all Rents due from and after the date of such notice shall be paid to Mortgagee at the address set forth in such notice;

(iii) All Rents then or thereafter received by Mortgagor shall be immediately delivered to Mortgagee without the necessity of written demand, and until delivered, shall be held in trust for the benefit of Mortgagee; and

(iv) All Rents received by Mortgagee pursuant to this Section 2.02(b) may, at Mortgagee's option, be applied to the Debt or in payment of any other Obligation set forth in the Loan Documents, in such order or priority as Mortgagee shall determine in its discretion.

**Section 2.03 Mortgagee's Rights After License Revocation.** From and after any revocation of the license granted pursuant to Section 2.02(a), Mortgagee shall have the right, but not the obligation, at its option and in addition to its other rights and remedies available to Mortgagee under law, acting personally or through an agent, and without the necessity of taking possession of the Property or bringing any enforcement action or proceeding, including foreclosure, or the appointment of a receiver, to take any or all the following actions to the fullest extent permitted by law:

(a) Direct Payments of Rent. Notify each Tenant that the Lease to which it is a party has been assigned to Mortgagee and that all Rents are to be paid at the direction of Mortgagee. The term "**Person**" means an individual, partnership, limited partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or any other entity of whatever nature.

(b) Modify Lease Obligations. Settle, compromise, release, extend the time of payment for, and make allowances, adjustments, and discounts of any Rents or other obligations in, to, and under any Lease.

(c) Rent the Property and Modify any Lease. Lease all or any part of the Property and/or modify, amend, renew, or terminate any Lease.

(d) Perform Lease Obligations. Perform any and all obligations of Mortgagor under any Lease and exercise any and all rights of Mortgagor therein contained to the full extent of Mortgagor's rights and obligations thereunder.

## ARTICLE III
## SINGLE PURPOSE ENTITY REQUIREMENTS

**Section 3.01 Formation and Existence.** Mortgagor hereby makes the following representations, warranties, and covenants.

(a) Mortgagor Formation and Existence. Mortgagor is a Single Purpose Entity (as hereinafter defined) and shall remain a Single Purpose Entity at all times until the Loan has been repaid in full.

(b) Organization Documents of Mortgagor. The organizational documents of Mortgagor shall contain all representations, warranties, covenants, and definitions contained in this Article III and shall not, without Mortgagee's prior written consent, be amended, rescinded, or revoked until the Loan is paid in full.

**Section 3.02 Separateness Covenants and Requirements**.

(a) Mortgagor Criteria. With respect to Mortgagor, the term "**Single Purpose Entity**" means a corporation, limited partnership, or limited liability company, which at all times since its formation and thereafter until the Loan has been repaid in full shall meet the following requirements:

(i) Is and shall remain organized solely for the purpose of owning, operating, and managing the Property and transacting such lawful business as may be incidental, necessary, or appropriate thereto.

(ii) Has not engaged and shall not engage in any business unrelated to the activities set forth in Section 3.02(a)(i).

(iii) Has not owned and shall not own any real property other than the Property.

(iv) Has not owned and shall not own any assets, other than the Property and Personal Property necessary or incidental to its ownership, operation, and management of the Property.

(v) Intentionally omitted.

(vi) If such entity is a single-member limited liability company such entity shall:

(A) be a Delaware limited liability company;

(B) intentionally omitted.

(C) not take any bankruptcy-related action and not cause or permit the members or managers of such entity to take any bankruptcy-related action; and

(D) have a natural Person or an entity that is not a member of the company, that has signed its limited liability company agreement and that, under the terms of such limited liability company agreement, becomes a member of the company immediately prior to the withdrawal or dissolution of the last remaining member of the company.

As used herein, the term "**Affiliate**" means, with respect to any Person: (a) any other Person which, directly or indirectly, is in Control of, is Controlled by, or is under common Control with, such Person; (b) any other Person who is a director or officer of (i) such Person, (ii) any subsidiary of such Person, or (iii) any Person described in clause (a); or (c) any corporation, limited liability company, or partnership which has as a director any Person described in clause (b).

As used herein, the term "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through ownership, voting rights, beneficial interest, by contract, or by any other means. This definition shall be construed to apply equally to variations of the defined term, including terms such as "Controlled," "Controlling," or "Controlled by."

(vii) Intentionally omitted.

(viii) Has and shall preserve its existence as an entity duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation or organization, as the case may be.

(ix) Has observed and shall observe all partnership, corporate, or limited liability company formalities, as applicable.

(x) Has not and shall not amend its organizational documents in a manner that would violate the requirements of this Article III.

(xi) Has not and shall not merge or consolidate with any other Person.

(xii) Has not taken, and shall not take, any action to:

(A) dissolve, wind up, terminate, or liquidate;

(B) sell, transfer, or otherwise dispose of all or substantially all its assets; or

(C) change its legal structure (other than in connection with a Permitted Transfer (as hereinafter defined)), or permit the direct or indirect transfer of any partnership, membership, or other Equity Interests, as applicable, other than a Permitted Transfer.

As used herein, the term "**Equity Interest**s" means, as applicable: (a) partnership interests (whether general or limited) in an entity which is a partnership; (b) membership interests in an entity which is a limited liability company; or (c) the shares of stock interests in an entity which is a corporation.

(xiii) Has not and shall not, without the unanimous written consent of all Mortgagor's partners, members, or shareholders, as applicable:

(A) file or consent to the filing of any petition, either voluntary or involuntary, availing itself of any insolvency, bankruptcy, liquidation, or reorganization statute;

(B) seek or consent to the appointment of a receiver, liquidator, or similar fiduciary; or

(C) make an assignment for the benefit of creditors.

(xiv) Has not formed, acquired, or held and shall not form, acquire, or hold any subsidiary.

(xv) Has held and shall hold its assets in its own name.

(xvi) Has not commingled and shall not commingle its funds or assets with those of any other Person and has not assigned and shall not assign its interest in Leases and Rents to any other Person.

(xvii) Has not incurred and shall not incur any debt, secured or unsecured, direct or contingent, other than (A) the Loan, (B) the Senior Indebtedness (as defined in the hereinafter-defined Intercreditor Agreement), (C) any Permitted Additional Financing (as hereinafter defined), and (D) customary unsecured trade payables incurred in the ordinary course of owning and operating the Property and as otherwise approved in writing by Mortgagee. As used herein, "**Permitted Additional Financing**" means any loan or other financing secured by a second priority mortgage and security interest in the Property or any interest therein ("**Outside Financing**"), provided that: (v) Mortgagor has provided Mortgagee with not less than fifteen (15) Business Days' prior written notice of such Outside Financing, together with copies of all material documentation related thereto; (w) any such Outside Financing shall be subordinate in all respects to the Loan Documents; (x) the lender providing such Outside Financing (the "**Junior Lender**") shall have entered into a commercially reasonable form of intercreditor agreement with Mortgagee pursuant to which the Junior Lender agrees that its claim on the Property is secondary to Mortgagee's claim; (y) no monetary default or any other Event of Default has occurred and is continuing at the time such Outside Financing is incurred; and (z) Mortgagor remains in compliance with all covenants under the Loan Documents after giving effect to such Outside Financing.

(xviii) Has maintained and shall maintain its records, books of account, bank accounts, financial statements, accounting records, and other entity documents separate and apart from those of any other Person; and in connection with any of its financial statements:

(A) has shown and shall show its assets and liabilities separate and apart from those of any other Person;

(B) has not permitted and shall not permit its assets to be listed as assets on the financial statement of any of its Affiliates except as required by generally accepted accounting principles ("**GAAP**"); provided, however, that any such consolidated financial statement contains a note indicating that its separate assets and credit are not available to pay the debts of such Affiliate and that its liabilities do not constitute obligations of the consolidated entity; and

(C) has listed and shall list such assets on its balance sheet, as applicable.

(xix) Other than capital contributions and distributions authorized under the terms of its organizational documents, has not entered into or been a party to, and shall not enter into or be a party to, any contract, agreement, or transaction with any of its partners, members, shareholders, principals, or Affiliates except in the ordinary course of its business and on commercially reasonable terms comparable to those of an arm's-length transaction with an unrelated third party.

(xx) Has not acquired and shall not acquire obligations or securities of its partners, members, or shareholders or any other owner or Affiliate.

(xxi) Has maintained and shall maintain its assets in such a manner that it shall not be costly or difficult to segregate, ascertain, or identify its individual assets from those of any other Person.

(xxii) Has not assumed, guaranteed, or become obligated and shall not assume, guarantee, or become obligated for the debts of any other Person, except as provided by the Loan Documents.

(xxiii) Has not pledged its assets or held out its credit and shall not pledge its assets or hold out its credit as being available to satisfy the obligations of any other Person, except as provided by the Loan Documents or in connection with any Permitted Additional Financing.

(xxiv) Has not made and shall not make any loans or advances to any other Person.

(xxv) To the extent required under Applicable Law, has filed and shall file its own income tax returns, except to the extent that it is required by law to file consolidated tax returns.

(xxvi) Has held itself out and shall hold itself out as a separate and distinct entity under its own name (or in a name franchised or licensed to it) and not as a division or part of any other Person.

(xxvii) Has corrected and shall correct any known misunderstanding regarding its separate identity.

(xxviii) After deducting Operating Expenses (as hereinafter defined) from operating income generated by the Property, Mortgagor:

(A) has remained and shall remain solvent;

(B) has paid and shall pay its debts and liabilities from its assets as the same become due; and

(C) has maintained and shall maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations.

(xxix) Has maintained and used and shall maintain and use separate stationery, invoices, and checks bearing its own name and not bearing the name of any other entity unless such entity is clearly designated an agent.

(xxx) Has fairly and reasonably allocated and shall fairly and reasonably allocate any expenses or obligations that are shared with any Affiliates, constituents, owners, or guarantors (including Guarantor), or any Affiliate of any of the foregoing, including, but not limited to, paying for shared office space and for services performed by any employee of any of them.

(xxxi) Has paid and shall pay its own liabilities and expenses, including the salaries of its own employees, out of its own funds and assets.

As used herein, "**Operating Expenses**" means all cash expenses actually incurred by or charged to Mortgagor (appropriately prorated for expenses that, although actually incurred in a particular period, also relate to other reporting periods), with respect to the ownership, operation, leasing, and management of the Property in the ordinary course of business, determined in accordance with GAAP or other method approved by Mortgagee and as adjusted by Mortgagee in accordance with its customary underwriting procedures and policies then in effect. The term Operating Expenses shall specifically exclude, however: (a) costs of tenant improvements and leasing commissions; (b) capital expenditures; (c) depreciation; (d) principal payments made under the Loan; (e) costs of restoration following a Casualty or Condemnation (as those terms are hereinafter defined); and (f) any other noncash items.

## ARTICLE IV
## REPRESENTATIONS AND WARRANTIES

Mortgagor acknowledges and agrees that in making the Loan evidenced by the Loan Documents, Mortgagee has relied on the truth, completeness, and accuracy of the representations and warranties made by Mortgagor herein. Mortgagor hereby makes the representations and warranties contained in this Article IV to Mortgagee as of the Effective Date (other than as to the Property and related matters) and May 26, 2026.

**Section 4.01 Organization and Legal Status**.

(a) Due Formation, Existence, and Good Standing. Mortgagor is duly organized, validly existing, and in good standing under the laws of its state of formation. Mortgagor is a Single Purpose Entity pursuant to the terms, covenants, and conditions contained in Article III.

(b) Single Purpose Entity Status.

(i) Mortgagor is and will continue to be a Single Purpose Entity at all times until the Obligations are paid in full.

(ii) Mortgagor has delivered to Mortgagee a chart depicting its organizational structure, which chart is true, complete, and correct in all material respects.

(iii) The single purpose entity provisions included in the organizational documents of Mortgagor shall not, without Mortgagee's prior written consent, be amended, rescinded, or otherwise revoked until the Loan has been paid in full.

(c) Qualification to do Business. Mortgagor is duly qualified to transact business in New York.

(d) Legal Authority to Own Property. Mortgagor has all necessary approvals (governmental, contractual, or otherwise) and full power and authority to own, operate, and lease the Property and to carry out the business required to be conducted to own, operate, and lease the Property in full accordance with the terms, covenants, and conditions contained in the Loan Documents.

(e) Mortgagor's Identity. Mortgagor's true, complete, and correct legal name is stated on the first page of this Mortgage. Mortgagor is a "registered organization" within the meaning of the NY UCC.

**Section 4.02 Power and Authority; Enforceability**.

(a) Power and Authority. Mortgagor has full power, authority, and legal right to execute, deliver, and perform all obligations under the Loan Documents and has taken all necessary action to authorize: (i) the borrowing of the Loan on the terms and conditions set forth in the Loan Documents; (ii) the execution and delivery of all Loan Documents; and (iii) Mortgagor's performance under all Loan Documents. The officer or representative of Mortgagor signing the Loan Documents on behalf of Mortgagor has been duly authorized and empowered to do so.

(b) Enforceability. The Loan Documents constitute legal, valid, and binding obligations of Mortgagor, enforceable against Mortgagor in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

**Section 4.03 No Legal Conflict or Impediment.** With respect to Mortgagor's execution, delivery, and performance of its obligations under the Loan Documents the following is true, accurate, and complete in all material respects to the best of Mortgagor's knowledge:

(a) Third-Party Agreements. The Loan does not violate, contravene, breach, or result in a default under any agreement or instrument to which Mortgagor is a party or by which the Property is bound or may be affected.

(b) Applicable Law; Usury. The Loan does not violate any Applicable Law (including usury laws). As used in the Loan Documents, the term "**Applicable Law**" means individually and in the aggregate: (i) the organizational documents governing the applicable Person; and (ii) any law, regulation, ordinance, code, decree, treaty, ruling, or determination of any arbitrator, court, governmental authority, or Executive Order (as hereinafter defined) issued by the President of the United States, in each case applicable to or binding upon such Person or to which such Person or any of such Person's property (including the Property) may be subject including laws, ordinances, and regulations pertaining to the taxing, zoning, occupancy, use, environmental compliance, and subdivision of real property in New York.

(c) No Other Resulting Liens. The Loan does not result in the creation or imposition of any Lien whatsoever upon any of Mortgagor's assets, except the Lien created by the Loan Documents. As used in the Loan Documents, the term "**Lien**" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien filing (whether statutory, judicial, or otherwise), preference, priority, security agreement (other than this Mortgage or any security agreement entered into in connection with a Permitted Additional Financing), or preferential arrangement of any kind or nature whatsoever, including any conditional sale or title retention agreement, mechanic's liens, or any financing statement under the NY UCC or comparable law of any jurisdiction in respect of any of the foregoing.

(d) No Other Consents or Filings. The Loan does not require any authorization or consent from, or any filing with, any third party or governmental authority to perfect Mortgagee's security interest in the Property except for: (i) the recordation of this Mortgage in the appropriate land records in the county where the Property is located; and (ii) the filing or recording (as applicable) of UCC-1 financing statements securing or further securing Mortgagee's security interests in personal property and fixtures filed in the appropriate filing offices in the state of Mortgagor's formation and also recorded in the county where the Property is located.

**Section 4.04 No Litigation.** No action, suit, or proceeding, whether investigative, judicial, or administrative is currently pending or, to the best of Mortgagor's knowledge, information, and belief, affecting, threatened, or contemplated against Mortgagor, Guarantor, any other guarantor or the Property that has not been disclosed by Mortgagor in writing to Mortgagee.

**Section 4.05 Business Purpose of Loan.** The proceeds of the Loan are for, and shall be used for, the purpose of carrying on a business or commercial enterprise and not for personal, family, or household purposes.

**Section 4.06 Warranty of Title; Perfection and Priority of Lien; Permitted Encumbrances**.

(a) Warranty of Title. Mortgagor has fee simple title of record to the Property, free and clear of all Liens whatsoever except for the Liens created in favor of Mortgagee pursuant to the Loan Documents, the Permitted Encumbrances (as hereinafter defined), and any Lien created in connection with a Permitted Additional Financing. None of the Permitted Encumbrances, individually or in the aggregate: (i) interferes in any material respect with the benefits of the security intended to be provided by this Mortgage; (ii) materially adversely affects the value of the Property; or (iii) materially adversely impairs the use and operation of the Property. Mortgagor shall forever preserve its title to the Property and validity of all Liens created in favor of Mortgagee under the Loan Documents and shall forever warrant and defend the same to and for the benefit of Mortgagee against all claims of all others. The term "**Permitted Encumbrances**" means only those matters listed as exceptions on the mortgagee title insurance policy issued to Mortgagee in connection with this Loan, any Lien created in connection with this Loan or a Permitted Additional Financing, and any other Lien thereafter approved by Mortgagee in writing.

(b) Perfection and Priority of Lien.

(i) This Mortgage, when properly recorded, creates a valid, second priority, perfected lien on the Property, subject only to the Permitted Encumbrances.

(ii) Each UCC financing statement, when filed or recorded, as applicable, creates a valid, perfected security interest, in the collateral defined therein (to the extent a security interest in such collateral can be perfected by the filing of a UCC financing statement).

**Section 4.07 Property Condition.** To Mortgagor's actual knowledge: (i) the Improvements are structurally sound, in good repair, and free of defects in materials and workmanship; (ii) the Improvements have been constructed and installed in compliance in all material respects with the plans and specifications relating thereto; (iii) all major building systems within the Improvements (including heating and air-conditioning systems, electrical systems, plumbing systems, septic systems, and sewer systems) are in good working order and condition and in compliance with Applicable Law in all material respects; (iv) the Property is free from any material damage caused by fire or other casualty; and (v) Mortgagor has not received written notice from any insurance company or bonding company of any defects or inadequacies in the Property, or any part thereof, which would materially adversely affect insurability, or impose extraordinary premiums, or result in the termination or threatened termination of any insurance policy or surety bond.

**Section 4.08 No Condemnation.** No Condemnation proceeding has been commenced or, to the best of Mortgagor's knowledge, information, and belief, is contemplated for all or any portion of the Property, or for the relocation or closure of roadways providing access to or from the Property.

**Section 4.09 Environmental Representations and Warranties; Property Compliance with Law.**

(a) Environmental Representations and Warranties. Neither Mortgagor nor, to the best of Mortgagor's knowledge, any Tenant or occupant of the Property, has during Mortgagor's period of ownership or control of the Property released or permitted the presence of any Hazardous Substances (as defined in the Environmental Indemnity) on or about the Property except (i) as expressly disclosed to Mortgagee in writing, or (ii) Hazardous Substances in customary amounts that are in compliance with Environmental Laws (as defined in the Environmental Indemnity) and used in the ordinary operation and maintenance of the Property. All operations and activities at the Property, and all use and occupancy of the Property are in compliance, in all material respects, with all Environmental Laws, as defined in the Environmental Indemnity. Mortgagor does not know of, nor has it received, any written notice from any Person pertaining to any violation of or liability under Environmental Laws that may materially adversely affect the Property or Mortgagor. Mortgagor has provided Mortgagee, in writing, with all material information known to Mortgagor and contained in Mortgagor's files that relates to the Property's environmental condition, including all known environmental reports of the Property in Mortgagor's possession or control.

(b) Property Compliance with Law. The Property and its present and contemplated use and occupancy comply with Applicable Law in all material respects. Mortgagor has obtained all licenses, permits, registrations, certificates, and approvals from all governmental or quasi-governmental agencies (including those relating to zoning, building codes, land use, and environmental compliance) which may be necessary for the use, occupancy, and operation of the Property and the conduct of Mortgagor's business thereon. All licenses, permits, registrations, certificates, and approvals are in full force and effect as of May 26, 2026, and Mortgagor has no knowledge or notice of any revocation thereof. To Mortgagor's knowledge, no event or condition exists which could reasonably be expected to result in the revocation, suspension, or forfeiture thereof.

**Section 4.10 Separate Tax Lot.** The Property is assessed for real estate tax purposes as one or more wholly independent tax lot or lots, separate from any adjoining land or improvements not constituting a part of the Property.

**Section 4.11 Flood Zone.** Except as otherwise disclosed on the survey of the Property provided to Mortgagee in connection with the Loan, no portion of the Improvements is located in an area identified by the Federal Emergency Management Agency or any successor thereto, as an area having special flood hazards.

**Section 4.12 Adequate Utilities.** The Property is adequately served by all utilities required for the current or contemplated use thereof. All water and sewer systems are provided to the Property by public utilities, and the Property has accepted or is equipped to accept such utility services.

**Section 4.13 Public Access.** All public roads and streets necessary for access to the Property for the current or contemplated use thereof have been completed, are serviceable and all-weather, and are physically and legally open for public use.

**Section 4.14 Boundaries.** To the best of Mortgagor's knowledge, all the Improvements lie wholly within the boundaries and building restriction lines of the Property, and no easements or other encumbrances affecting the Property (including the Permitted Encumbrances) encroach upon any of the Improvements. No improvements on adjacent properties encroach onto the Property.

**Section 4.15 Mechanic's Liens.** No mechanic's liens, materialman's liens, or other Liens or claims have been, or may be, filed for work, labor, or materials affecting the Property which are or may become Liens prior, equal, or subordinate to this Mortgage.

**Section 4.16 Special Assessments; Transfer Taxes; and Mortgage Recording Taxes.** No unpaid assessments for public improvements or otherwise affect the Property or, to the best of Mortgagor's knowledge, information, and belief, are pending, nor are improvements contemplated to the Property that may result in any such assessments. All transfer taxes, if applicable, and mortgage recording taxes, or other similar tax required to be paid by any Person under Applicable Law in connection with the execution, delivery, recordation, filing, and perfection of this Mortgage and any other Loan Documents, have been paid or will be paid, in full on or before recordation of this Mortgage.

**Section 4.17 Insurance.** Mortgagor has obtained and delivered to Mortgagee original or certified copies of all insurance policies required pursuant to Section 5.03. All premiums charged for the coverages under such policies ("**Insurance Premiums**") have been prepaid in full for not less than one year. No claims have been made that are pending under any such insurance policies, and neither Mortgagor nor any other Person has done, by act or omission, anything which would impair the coverage of any insurance policy.

**Section 4.18 Lease.** With respect to the Vireo NY Lease:

(a) The Vireo NY Lease. As of May 26, 2026, the Property is not subject to any Lease other than the Vireo NY Lease. All Rents due under the Vireo NY Lease are currently paid, except as may have been disclosed to Mortgagee in writing.

(b) Delivery of all Leases; Lease Form. Mortgagor has delivered to Mortgagee a true and complete copy of the Vireo NY Lease affecting the Property and the standard form of lease used to let the Property, if any. There are no verbal or written agreements existing which terminate, modify, or supplement the Vireo NY Lease, except as disclosed to Mortgagee in writing.

(c) Lease Subordination. Vireo NY Lease is subordinate to the lien of this Mortgage either by its terms or by separate written agreement executed and delivered by the Vireo NY Tenant under the Vireo NY Lease.

(d) Owner of Leasehold Interests. Mortgagor is the sole owner, as landlord, of the leasehold estates created under the Vireo NY Lease. Mortgagor has not assigned, pledged, transferred, or encumbered its right, title, or interests in and to the Leases and Rents, except to Mortgagee pursuant to this Mortgage, or in connection with a Permitted Additional Financing.

(e) Intentionally omitted.

(f) No Prepaid Rent. No Rents on any Lease have been collected for more than one (1) month in advance. For purposes of this subsection, security deposits held by Mortgagor in respect of a Lease shall not be deemed prepaid Rents.

(g) Security Deposits. Any security deposit under the Vireo NY Lease has been collected and is being held by Mortgagor in the full amount provided under the Vireo NY Lease and in compliance with all requirements of Applicable Law.

(h) No Tenant Improvements Required. To Mortgagor's knowledge, all work required to have been performed by Mortgagor under the Vireo NY Lease has been fully performed and unconditionally accepted by the Vireo NY Tenant under the Vireo NY Lease.

(i) No Offsets or Defenses. To Mortgagor's knowledge, no offsets or defenses exist in favor of any Tenant to the payment of any portion of the Rents.

(j) No Monetary Obligation to Tenant. Mortgagor owes no monetary obligation to the Vireo NY Tenant under the Vireo NY Lease.

(k) No Notice of Dispute. Mortgagor has not received a written notice of default from any Tenant or any other written notice disputing the terms, validity, or enforceability of the Vireo NY Lease or any provision thereof.

(l) No Tenant Default or Bankruptcy. The Vireo NY Lease is in full force and effect, and no default or event of default exists under the Vireo NY Lease, and no circumstance which with the passage of time, or the giving of notice, or both, would constitute a default or event of default (in each case after the expiration of applicable notice and cure periods) under the Vireo NY Lease exists. To Mortgagor's knowledge, information, and belief, the Vireo NY Tenant is not a debtor in any bankruptcy, reorganization, insolvency, or similar proceeding.

(m) Intentionally omitted.

(n) No Broker's Commissions. No broker's commissions, finder's fees, or similar payment obligations are due and unpaid by Mortgagor (or any Affiliate of Mortgagor) with respect to the Vireo NY Lease except as expressly disclosed to Mortgagee in writing.

**Section 4.19 Property Management.** The Property is self-managed by Mortgagor and no Person, other than Mortgagor, has authority to collect rents, negotiate leases, or take any other action with respect to the use, operation, or management of the Property.

**Section 4.20 Financial Condition**.

(a) Solvency. Mortgagor is currently solvent and has received reasonably equivalent value in exchange for the Loan and the Liens and security interests granted to or in favor of Mortgagee in connection with the Loan. Mortgagor has not entered into this Loan with the intent to hinder, delay, or defraud any creditor. Immediately following the making of the Loan, the fair saleable value of Mortgagor's assets shall be greater than Mortgagor's known liabilities.

(b) No Change in Financial Condition. Since the date of its formation, Mortgagor has not filed or consented to the filing of any petition, either voluntary or involuntary, in any proceeding seeking the insolvency, bankruptcy, liquidation, or reorganization of Mortgagor. Since the date of the most recent statements submitted to Mortgagee with respect to Mortgagor and Guarantor, no change has occurred in the financial condition of any such party that would make the financial statements, reports, certificates or other documents submitted in connection with the Loan inaccurate, incomplete, or otherwise misleading in any material respect or which would have a Material Adverse Effect (as hereinafter defined) on Mortgagor's ability to own, operate, or lease the Property.

**Section 4.21 Real Property and Income Taxes**.

(a) Real Property Taxes. All real property taxes due and owing in respect of the Property have been paid.

(b) Income Taxes. Mortgagor has filed all federal, state, county, municipal, and city income tax returns required and has paid all taxes and related liabilities which have become due pursuant to such returns. Mortgagor has no known tax liability in respect of any such taxes and related liabilities for tax periods prior to May 26, 2026.

**Section 4.22 No Foreign Person.** Mortgagor is not a "foreign Person" within the meaning of §1445(f)(3) of the Internal Revenue Code of 1986, as amended.

**Section 4.23 No Illegal Activity as Source of Funds.** No portion of the Property has been or shall be purchased, improved, equipped, or furnished with proceeds of any illegal activity.

**Section 4.24 Compliance with Anti-Terrorism, Embargo, Sanctions, and Anti-Money Laundering Laws**.

(a) Compliance with Laws. Each of Mortgagor and Guarantor is in compliance with: (i) the Office of Foreign Assets Control sanctions and regulations promulgated under the authority granted by the Trading with the Enemy Act, 50 U.S.C. §§ 4301 *et seq*. ("**OFAC**"); (ii) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq*., as the same apply to it or its activities; and (iii) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended from time to time ("**USA PATRIOT Act**") and all rules and regulations promulgated under the USA PATRIOT Act applicable to any of them. Mortgagor agrees to confirm the representations and warranties made in this Section 4.24 in writing to Mortgagee or any designee of Mortgagee from time to time, upon reasonable request. In furtherance thereof:

(i) Neither Mortgagor nor Guarantor is now, or has ever been, under investigation by any governmental authority for, or has been charged with or convicted of, a crime under 18 U.S.C. §§ 1956 or 1957 or any predicate offense thereunder;

(ii) Neither Mortgagor nor Guarantor has ever been assessed a civil penalty under any anti-money laundering laws or predicate offenses thereunder;

(iii) Neither Mortgagor nor Guarantor has had any of its funds seized, frozen, or forfeited in any action relating to any anti-money laundering laws or predicate offenses thereunder;

(iv) Mortgagor and Guarantor have taken such steps and implemented such policies as are reasonably necessary to ensure that it is not promoting, facilitating, or otherwise furthering, intentionally or unintentionally, the transfer, deposit, or withdrawal of criminally derived property, or of money or monetary instruments which are (or which such party has reason to believe are) the proceeds of any illegal activity or which are intended to be used to promote or further any illegal activity; and

(v) Mortgagor and Guarantor have taken such steps and implemented such policies as are reasonably necessary to ensure that it is in compliance with all laws and regulations applicable to its business for the prevention of money laundering and with anti-terrorism laws and regulations, with respect both to the source of funds from its investors and from its operations, and that such steps include the development and implementation of an anti-money laundering compliance program within the meaning of Section 352 of the USA PATRIOT Act, to the full extent such a party is required to develop such a program under the rules and regulations promulgated pursuant to Section 352 of the USA PATRIOT Act.

(b) No Dealings with Embargoed Persons. No assets of Mortgagor constitute property of, or are beneficially owned, directly or indirectly, by any Person subject to trade restrictions under U.S. law (individually or collectively, an "**Embargoed Person**") including but not limited to: (i) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq*.; (ii) the Trading with the Enemy Act, 50 U.S.C. §§ 4301 *et seq*.; and (iii) any Executive Orders or regulations promulgated thereunder. No Embargoed Person has any interest of any nature whatsoever in Mortgagor (whether directly or indirectly); and none of the funds of Mortgagor have been derived from any unlawful activity such that neither an investment in Mortgagor (whether directly or indirectly) nor the execution, delivery, and performance of this Mortgage or any of the Loan Documents and transactions contemplated hereby or thereby is in violation of law.

(c) No Dealings with Prohibited Persons. None of Mortgagor or Guarantor, and to the best of Mortgagor's knowledge, information and belief, after having made reasonable inquiry, neither (i) any Person owning an interest of ten percent (10.00%) or more in any of them, nor (ii) the Vireo NY Tenant, is a Prohibited Person. As used in the Loan Documents, the term "**Prohibited Person**" shall mean any Person:

(i) Listed in the Annex to, or otherwise subject to the provisions of, that certain Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism ("**Executive Order**");

(ii) Named as a "specifically designated national (SDN)" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website (https://www.treasury.gov/ofac/downloads/sdnlist.pdf) or at any replacement website or other replacement official publication of such list or that is named on any other governmental authority list;

(iii) Acting, directly or indirectly, in contravention of any anti-money laundering law, with terrorist organizations or narcotics traffickers, including those Persons that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Financial Action Task Force on Money Laundering, U.S. Office of Foreign Assets Control, U.S. Securities and Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, all as may be amended or superseded from time to time; or

(iv) That is owned or controlled by, or acting for or on behalf of, any Person described in clause (i), (ii), or (iii) above.

**Section 4.25 Brokers' and Finders' Fees.** Mortgagor has not engaged or used any broker, placement agent, or finder in connection with the transaction evidenced by the Loan Documents who may be owed a commission or other compensation other than those paid and shown on the official closing statement signed by Mortgagor and delivered as of May 26, 2026 ("**Closing Statement**").

**Section 4.26 Complete Disclosure; No Change in Facts or Circumstances.** To the best of Mortgagor's knowledge, Mortgagor has disclosed to Mortgagee all material facts and has not failed to disclose any material fact that could cause any representation or warranty made herein to be materially inaccurate, incomplete, or misleading. All information provided in or supplied with the application for the Loan, or in satisfaction of the terms thereof, remains true, complete, and correct in all material respects as of the date provided, and no adverse change in any condition or fact has occurred that would make any information, representation, or warranty materially inaccurate, incomplete, or misleading.

**Section 4.27 ERISA Compliance.** Mortgagor is not and will not be an "employee benefit plan" as defined in § 3(3) of ERISA, subject to Title I of ERISA. None of the assets of Mortgagor constitute or will constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. § 2510.3-101. Mortgagor is not and will not be a "governmental plan" within the meaning of § 3(32) of ERISA.

**Section 4.28 Acquisition of the Property**. All conditions precedent to the acquisition of the Property from IIP-NY-2 LLC, a Delaware limited liability company, other than payment of the cash consideration due on May 26, 2026, shall have been satisfied in accordance with the terms of the documents provided to Mortgagee on or prior to such date, which documents are in form and substance reasonably satisfactory to Mortgagee, without giving effect to any alteration, amendment, or supplement thereto, or the waiver of any condition therein.

**Section 4.29 Survival.** The representations and warranties contained in this Article IV shall survive for so long as the Loan shall remain payable, or any Obligation shall remain subject to performance.

## ARTICLE V
## MORTGAGOR COVENANTS AND LOAN REQUIREMENTS

**Section 5.01 Property Covenants and Requirements**.

(a) Obligation to Pay Taxes and Property Charges. Mortgagor shall promptly and fully pay all Taxes and Property Charges (as hereinafter defined) now or hereafter assessed or levied against the Property prior to the delinquency thereof. As used in the Loan Documents, the term "**Property Charges**" means all ground rents, maintenance charges, impositions (other than Taxes) and similar charges, including fees for the use of vaults, chutes, and adjoining areas, now or hereafter assessed or imposed against the Property, or any part thereof, together with any penalties thereon. Except to the extent funds sufficient to fully pay such charges have been deposited into the Tax Escrow Account established under Section 6.01, Mortgagor shall furnish to Mortgagee, upon reasonable request, evidence reasonably satisfactory to Mortgagee that all Taxes and other Property Charges have been paid and are not delinquent.

(b) Obligation to Discharge Liens. Mortgagor shall within twenty-five (25) days cause to be paid and discharged (or bonded over) any Lien or charge which may be or become a Lien against the Property, including mechanic's liens, materialman's liens, judgments, and tax liens, other than those permitted under the Loan Documents. After prior written notice to Mortgagee, Mortgagor, at its own expense, may contest the amount, validity, or application, in whole or in part, of any Taxes, Property Charges, or Liens by appropriate legal proceeding, promptly initiated and conducted expeditiously in good faith with proper due diligence, provided that:

(i) No Event of Default has occurred and is continuing under the Loan;

(ii) Such proceeding either suspends the collection of such amounts, or if not suspended, Mortgagor establishes an escrow with Mortgagee in an amount equal to one hundred twenty-five percent (125.00%) of the lien;

(iii) Such proceeding does not put the Property in danger of being sold for such delinquency;

(iv) Such proceeding is conducted in accordance with law and is not prohibited under any other agreement or obligation to which Mortgagor or the Property is subject; and

(v) Mortgagor shall furnish to Mortgagee all other items and information reasonably requested by Mortgagee.

(c) Maintenance of Property. Mortgagor shall maintain the Property in a good and safe condition and repair.

(i) Removal, Demolition, and Material Alteration. No portion of the Property shall be removed, demolished, or materially altered without Mortgagee's prior written consent, not to be unreasonably withheld, conditioned, or delayed.

(ii) Waste. Mortgagor shall not commit or suffer any intentional material physical waste of the Property or do or permit to be done thereon anything that may in any way materially impair the value of the Property, materially increase the risk of fire or other hazard on the Property, or invalidate or allow the cancellation of the insurance coverage required to be maintained by Mortgagor hereunder.

(d) Use of Property. Mortgagor shall not allow material changes in the use of the Property without Mortgagee's prior written consent, not to be unreasonably withheld, conditioned, or delayed. Mortgagor shall not initiate, join in, consent to any change in, or seek any variance under any private restrictive covenant or zoning or land use ordinance limiting or defining the uses which may be made of the Property. If use of all or any portion of the Property is or shall become a nonconforming use, Mortgagor will not cause or permit the nonconforming use to be discontinued or the nonconforming portion of the Property to be abandoned without Mortgagee's prior written consent, which is not to be unreasonably withheld, conditioned, or delayed.

(e) Compliance with Laws; Environmental Compliance. Mortgagor shall promptly and fully comply with Applicable Law now or hereafter affecting the Property, including all Environmental Laws. Mortgagor shall do or cause to be done all things reasonably necessary to preserve, renew, and keep in full force and effect all rights, licenses, permits, and franchises required for the operation of the Property. Mortgagor shall not commit, permit, or suffer to exist any act or omission leading to forfeiture of the Property or any part thereof, or the rents and income derived therefrom. Mortgagor shall notify Mortgagee promptly of Mortgagor's knowledge or receipt of any notice relating to a violation of any Applicable Law, or of the commencement of any proceedings or investigations which relate to compliance with Applicable Law. Upon Mortgagee's written request, Mortgagor shall provide Mortgagee with copies of all notices, reports, or other documents relating to any litigation or governmental investigation relating to Mortgagor or the Property.

(f) Compliance with Property Agreements. Mortgagor shall observe and perform in a timely manner each and every obligation to be observed or performed by Mortgagor pursuant to the terms of any agreement or recorded instrument affecting or pertaining to the Property or used in connection with the operation of the Property including the Property Agreements.

(g) Property Management. Mortgagor shall manage the Property in a commercially reasonable manner. Mortgagor shall not enter into any property management agreement without the prior written consent of Mortgagee, not to be unreasonably withheld, conditioned, or delayed. Mortgagee shall have the right to approve both the property manager and the terms of any property management agreement, such approval not to be unreasonably withheld, conditioned, or delayed. Mortgagee's approval may be conditioned, inter alia, upon receiving an assignment and subordination of the property management agreement on such form as approved by Mortgagee in its reasonable discretion. In such assignment and subordination agreement Mortgagor shall assign all its rights and interests in the property management agreement and the property manager shall subordinate its rights and interests, including its rights to any management fees. Each of Mortgagor and the property manager shall further acknowledge among other rights, Mortgagee's right to terminate the property management agreement upon the occurrence and during the continuance of an Event of Default.

**Section 5.02 Leasing Covenants.** Mortgagor shall observe and perform all obligations imposed upon the landlord under the Vireo NY Lease and any other Leases now existing or hereinafter entered into and shall not do or permit to be done anything to impair the value of any of the Leases. Upon Mortgagee's request, Mortgagor shall promptly send Mortgagee copies of all default notices sent or received by Mortgagor under any Lease (other than residential Leases). Mortgagor shall enforce all terms, covenants, and conditions contained in the Leases in a commercially reasonable manner and shall not collect any Rents more than one (1) month in advance (other than a security deposit). Pursuant to Article II, Mortgagor has assigned Mortgagee all its rights and interest in the Leases and Rents and shall not further assign or pledge its interests in the Leases or Rents, except in connection with this Loan or a Permitted Additional Financing. Mortgagor acknowledges and agrees that Mortgagee's consent, not to be unreasonably withheld, conditioned, or delayed, shall be required in connection with all proposed new Leases and material amendments and supplements to the Vireo NY Lease.

**Section 5.03 Insurance Coverages.** Mortgagor shall obtain and maintain at its own expense during the term of the Loan such insurance coverages (including the policy type, minimum coverage amounts, maximum deductibles, and acceptable exclusions) as Mortgagor shall deem reasonably necessary considering, among other things, the location, use, and occupancy of the Property and shall comply with all terms, covenants, and obligations in Article VII with respect to any proceeds thereof in the event of a Casualty or Condemnation. Mortgagee reserves the right to periodically review and modify the insurance requirements hereunder in Mortgagee's reasonable discretion, provided that any such modifications shall be consistent with insurance requirements for comparable properties in the same geographic area. As of May 26, 2026, Mortgagor acknowledges and agrees it shall maintain the insurance coverages set forth in this Section 5.03, subject to Mortgagee's right to amend any insurance coverages required hereunder in accordance with the foregoing.

(a) Property Insurance. Mortgagor shall maintain (or cause each Tenant to maintain, as applicable) comprehensive property insurance under one or more insurance policies insuring against the perils of fire, water, wind, burglary, theft, malicious mischief, riot, civil commotion, vandalism, and any other peril now or hereafter covered under a "causes of loss-special form" policy. Each policy shall include the endorsements required hereunder and shall comply with all covenants contained herein.

(i) Full Replacement Value Endorsement. Such policy or policies shall insure the Improvements and Personal Property in an amount equal to one hundred percent (100.00%) of full replacement cost, without taking into account depreciation, as reasonably determined by Mortgagee from time to time. Mortgagee may, at any time and from time to time, upon reasonable advance notice to Mortgagor, increase the coverage requirements under this Section 5.03 to reflect increases to the full replacement cost of the Improvements and Personal Property as determined by Mortgagee. In making its determination, Mortgagee may rely on a qualified, independent appraiser or engineer.

(ii) Boiler and Machinery Insurance. Mortgagor shall maintain comprehensive boiler and machinery insurance and systems breakdown coverage (without exclusion for explosion), insuring all boilers, turbines, engines, or other pressure vessels, and machinery and equipment (including heating, ventilation, and air-conditioning equipment, refrigeration equipment, sprinkler systems, electrical systems, pipes, conduits, and similar machinery and components) located in or servicing the Property. The coverage under such boiler and machinery insurance shall be in such amount per accident equal to one hundred percent (100.00%) of full replacement cost (as reasonably determined and adjusted from time to time by Mortgagee). Such insurance shall also provide coverage against business interruption and loss of income or use arising from the Casualty. The policy shall name Mortgagee as an additional insured under a standard joint loss clause and shall provide that all proceeds be paid to Mortgagee.

(iii) Business Interruption or Loss of Rental Income Insurance. Mortgagor shall maintain business interruption insurance, with loss payable to Mortgagee, insuring against lost Rents resulting from any insured peril. Coverage shall be on an "as loss sustained" basis in an amount equal to one hundred percent (100.00%) of the income (as herein defined) for the Property for a period of not less than twelve (12) months from the date of casualty, with a twelve (12)-month extended period of indemnity. The amount of coverage as of the Effective Date shall be determined by Mortgagee and adjusted at least once each year based on a reasonable estimate of projected gross Rent for the next ensuing twelve (12)-month period. Mortgagee may hold and apply all proceeds paid under such policy as permitted under the Loan Documents. For purposes of this coverage, "income" means the sum of the total, then ascertainable Rents payable under each Lease, and the total ascertainable amount of all other payments to be received by Mortgagor from third parties which are the legal obligation of the Property's Tenants, occupants, and licensees, reduced to the extent such amounts would not be received because of operating expenses not incurred during the period that any portion of the Property cannot be occupied as a result of the Casualty.

(b) Commercial General Liability Insurance. Mortgagor shall maintain (or shall cause each Tenant to maintain as applicable) commercial general liability insurance coverage with "products and completed operations coverage," insuring against bodily injury, death, and property damage, including all legal liability to the extent insurable and all court costs, legal fees, and expenses arising out of, or connected with, the possession, use, leasing, operation, maintenance, or condition of the Property in such amounts as may be required by Mortgagee from time to time, but in no event less than One Million and 00/100 Dollars ($1,000,000.00) per occurrence and Two Million and 00/100 Dollars ($2,000,000.00) in the annual aggregate (and, if on a blanket policy, containing an "Aggregate Per Location" endorsement) and with umbrella or excess liability insurance in an amount not less than Five Million and No/100 Dollars ($5,000,000.00) per occurrence on terms consistent with the commercial general liability insurance policy required. The policy must name Mortgagee as an additional insured.

(c) Additional Insurance Coverage Requirements. Without limiting the foregoing, Mortgagor shall maintain the following additional insurance coverages, if applicable, in such amounts and with such deductibles as provided below (or if not so provided, as determined by Mortgagee in its reasonable discretion), including:

(i) Ordinance or Law Coverage if any part of the Improvements is or shall later become a legal nonconforming use under Applicable Law with a coverage amount of $100,000.

(ii) Intentionally omitted.

(iii) Workers' compensation insurance for all employees employed at the Property which, if applicable, can be purchased on an "if any" basis. All coverage and coverage limits shall be in compliance with the laws of New York State.

(iv) Motor vehicles liability insurance for all owned and non-owned automobile liability on an "if any" basis insuring against liability occurring on or about the Property or arising from the use of the Property.

(v) Builder's risk insurance during any period of construction, renovation, or alteration of the Improvements, such insurance to not be less than one hundred percent (100.00%) of the full replacement cost value of the existing Improvements; provided, however, that as of the Effective Date, such coverage shall not be required.

(vi) Intentionally omitted.

(vii) Intentionally omitted.

(viii) Any other insurance Mortgagee reasonably deems necessary to cover any other insurable hazards with respect to the Property whether now known or later discovered, and any replacements, substitutions, or additions to any of the coverages required hereunder, provided that such insurance is customary for comparable properties in the same geographic area.

(d) Policy Prohibitions. No policy shall:

(i) Exclude coverage for windstorm damage and, if such coverage is limited after a storm is named, such policies shall contain a "Named Storm Endorsement"; provided, however, that notwithstanding the foregoing, Mortgagor's existing coverage with a two percent (2.00%) deductible and $50,000 minimum for wind and named storm coverage is acceptable to Mortgagee.

(ii) Permit Mortgagor or Mortgagee to become a co-insurer within the terms of the applicable policy; or

(iii) Except as otherwise expressly provided herein, have a deductible exceeding One Hundred Thousand and No/100 ($100,000.00).

(e) Qualified Insurers. All insurance shall be issued under valid and enforceable policies issued by one or more domestic insurers authorized to issue insurance in New York having a minimum rating of A-/VII rating by A.M. Best Company and acceptable to Mortgagee in its reasonable discretion. Mortgagee's approval of the insurer or the insurance coverage is not a representation or warranty concerning the sufficiency of any coverage.

(f) Policy Requirements. All policies shall be for a term of not less than one (1) year and, unless indicated to the contrary herein, shall insure and name Mortgagee as beneficiary under a so-called "standard mortgagee clause." Each policy shall provide coverage that: (i) prohibits cancellation or termination before the policy's expiration date; (ii) permits recovery by Mortgagee notwithstanding any defense to claims that may be available to the insurer due to the acts or omissions of Mortgagor; (iii) permits proceeds to be directly payable to Mortgagee; (iv) entitles Mortgagee to at least ten (10) days prior written notice of cancellation for nonpayment of premiums and at least thirty (30) days prior written notice of nonrenewal or modification; and (v) contains a waiver of subrogation endorsement as to Mortgagee. If the required insurance coverage is provided under a blanket policy covering the Property and other properties or assets not secured by this Loan, such blanket policy must specify the portion of total coverage that is allocated to the Property and any sublimit in such blanket policy which is applicable to the Property. A blanket policy shall comply in all other respects with the requirements of this Section 5.03.

(g) Evidence of Insurance. Mortgagor shall deliver to Mortgagee evidence of the insurance coverages required under this Section 5.03, together with proof of payment for the first year's premiums, upon the request of Mortgagee and not less than thirty (30) days before the expiration date of each policy. All evidence of insurance coverage shall be in form and substance reasonably satisfactory to Mortgagee. All evidence of insurance shall accurately reflect the coverages available under each such policy and shall satisfy all requirements hereunder. Mortgagee shall have the right at any time and from time to time to require further assurances from the insurer or its agent regarding the effectiveness of any policy and the coverages provided therein.

(h) Mortgagee's Right to Obtain Insurance. If Mortgagor fails to obtain or maintain the insurance coverages required hereunder or shall fail to provide Mortgagee satisfactory evidence of all required insurance coverages, and if Mortgagor fails to cure such deficiency within five (5) Business Days after notice from Mortgagee of such deficiency, an Event of Default shall be deemed to have occurred upon which no further notice or right of cure shall be available to Mortgagor. Upon such Event of Default, Mortgagee shall have the right to obtain all required insurance not provided by Mortgagor. All amounts advanced by Mortgagee to procure such insurance shall be added to the principal amount secured by this Mortgage and bear interest at the Default Rate. As used herein and in the Loan Documents, the "**Default Rate**" shall have the meaning given to such term under the Notes. Mortgagee shall have no liability for the performance of any insurer selected or approved by Mortgagee.

**Section 5.04 Existence, Financial and Reporting Covenants**.

(a) Continued Existence and Good Standing. Mortgagor shall maintain its existence in accordance with Article III and shall remain in good standing in New York and shall not dissolve or permit Guarantor or any other guarantor to dissolve.

(b) Payment of Debt and Performance of Obligations. Mortgagor shall fully and punctually pay all amounts and perform all Obligations when and as required by the Loan Documents. Mortgagor may not prepay the Loan except in strict accordance with the Notes. As used in the Loan Documents, the term "**Business Day**" or "**business day**" means any day other than a Saturday, a Sunday, or days when federal banks located in the State of Illinois or New York are closed for a legal holiday or by government directive.

(c) Books and Records. Mortgagor shall keep adequate books and records of account with respect to its financial condition and the financial condition and operation of the Property, in accordance with GAAP or such other method acceptable to Mortgagee, which method must be consistently applied.

(d) Financial Reporting of the Property. Within the time periods prescribed by this Section 5.04(d) and upon reasonable request following any Event of Default, Mortgagor shall furnish all financial statements and information reasonably requested by Mortgagee, each prepared in such detail as reasonably required by Mortgagee and each certified by a Responsible Officer to be true, complete, and correct in all material respects. As used in the Loan Documents, the term "**Responsible Officer**" means, as to any Person, an individual who is a managing member, general partner, chief executive officer, president, or vice president of such Person, or, with respect to financial matters, the chief financial officer or treasurer of such Person, or other officer authorized by such Person to deliver documents and information with respect to the financial matters under this Loan.

(i) Periodic Reporting. As soon as available, but in any event within thirty (30) days after the end of each calendar quarter, Mortgagor shall provide the following statement, each certified by a Responsible Officer:

(A) intentionally omitted; and

(B) an operating statement for the Property, detailing the operating income received, operating expenses incurred, and itemizing all costs paid during such period.

(ii) Year-End Reporting. As soon as available, but in any event within ninety (90) days after the close of Mortgagor's fiscal year, Mortgagor shall provide the following statements, each certified by a Responsible Officer:

(A) intentionally omitted;

(B) an annual operating statement for the Property, which statement shall be audited by an independent certified public accountant or certified by a Responsible Officer, prepared on an annual basis; provided, however, that Mortgagee acknowledges and agrees that it shall accept the public filings of Vireo Growth Inc. in satisfaction of this Section 5.04(d)(ii)(B); and

(C) an annual balance sheet and profit and loss statement for Mortgagor which statement shall be audited by an independent certified public accountant or certified by a Responsible Officer; provided, however, that Mortgagee acknowledges and agrees that it shall accept the public filings of Vireo Growth Inc. in satisfaction of this Section 5.04(d)(ii)(C).

(e) Financial Statements and Other Information on Guarantor. Mortgagor shall cause Guarantor to provide to Mortgagee as soon as available, but in any event within ninety (90) days after the close of such entity's fiscal year, such parties' financial statements in form reasonably satisfactory to Mortgagee, certified by an independent auditor or by a Responsible Officer to be accurate and complete in all material respects. Upon request, Mortgagor shall also cause Guarantor to provide such additional financial information, including copies of state and federal tax returns within ten (10) days of Mortgagee's written request.

(f) Additional Information. Promptly, upon reasonable written request, Mortgagor shall provide such other information relating to Mortgagor, the Property, or any Lease, as Mortgagee may reasonably request in writing from time to time.

(g) Mortgagee's Rights of Examination and Audit. Mortgagee and its agents shall have the right, upon not less than ten (10) Business Days' prior written notice to Mortgagor, to examine the books, records, statements, and files evidencing the financial condition of Mortgagor and the Property and to make copies and abstracts from such materials during normal business hours, except, however, no advance notice shall be required if an Event of Default is then existing under the Loan. Mortgagee shall also have the right not more than once annually to conduct an independent audit of Mortgagor's books, records, statements, and files. If Mortgagee's audit discloses a material error of more than ten percent (10.00%), and if a monetary default or any other Event of Default is then continuing, Mortgagor shall pay all reasonable out-of-pocket costs of Mortgagee's audit. Any unpaid amounts due hereunder shall be added to principal and shall bear interest at the Default Rate until paid in full. The payment of all amounts due hereunder shall be secured by this Mortgage and all collateral secured hereunder.

**Section 5.05 Covenants of Continued Cooperation**.

(a) Obligation to Maintain Existence. Mortgagor will continue to engage in the businesses presently conducted to the extent the same are necessary for the ownership, maintenance, management, and operation of the Property. Mortgagor will qualify to do business and will remain in good standing under the laws of New York and each other jurisdiction as and to the extent the same are required for the ownership, maintenance, management, and operation of the Property. Mortgagor shall continuously maintain its existence and its rights, licenses, permits and franchises to do business in New York and shall not dissolve or permit its dissolution. Mortgagor shall not change its name, form of legal entity, or its location as a registered organization within the meaning of the NY UCC.

(b) ERISA Compliance. Mortgagor shall not engage in any transaction which would cause the representation in Section 4.27 to become untrue or inaccurate. Throughout the term of the Loan, Mortgagor agrees to deliver to Mortgagee such certifications or other evidence as reasonably requested by Mortgagee to confirm compliance with Mortgagor's obligations under this Section 5.05 or to confirm that Mortgagor's representations and warranties regarding ERISA remain true.

(c) Compliance with Anti-Terrorism, Embargo, Sanctions, and Anti-Money Laundering Laws. Throughout the term of the Loan, including after giving effect to any Transfer (as defined herein), Mortgagor shall comply with Applicable Law and shall not, at any time during the term of the Loan, take any action, or permit any action to be taken, that would cause Mortgagor's representations and warranties in Section 4.24 to become untrue or inaccurate. Mortgagor shall provide to Mortgagee copies of all notices, reports, and other communications exchanged with, or received from, governmental authorities relating to all investigations and shall pay all costs and expenses for complying with Applicable Law in connection with the representations and warranties made in Section 4.24.

(d) Replacement Documents. Upon receipt of an affidavit from an officer of Mortgagee affirming the loss, theft, destruction, or mutilation of any Note or any other Loan Document not of public record, Mortgagor shall execute and deliver a replacement original of the lost, stolen, destroyed, or mutilated document within ten (10) days of Mortgagee's request; provided that Mortgagee indemnifies and holds harmless Mortgagor for any loss, cost or damage arising out of the loss, theft, destruction or mutilation of any Note or any other Loan Document. In the case of a mutilated document, Mortgagee shall, at the request of Mortgagor, exchange with Mortgagor the original mutilated document for its replacement.

(e) Loan Estoppels. Mortgagor shall deliver to Mortgagee or Mortgagee's designee within ten (10) Business Days of Mortgagee's written request, a statement certified by a Responsible Officer of Mortgagor, acknowledging any facts or circumstances pertinent to the Loan, Mortgagor, the Property, or the Loan Documents as reasonably requested by Mortgagee, including the unpaid principal amount of the Loan; the Applicable Interest Rate (as defined in and charged under the Notes); the date monthly debt service payments under the Notes are due; the maturity date of the Loan; and the date that the last payment of interest and, if applicable, principal was paid under the Notes.

(f) Tenant Estoppels. Mortgagor shall use commercially reasonable efforts to deliver to Mortgagee, within ten (10) Business Days following Mortgagee's written request, a duly executed estoppel certificate from any Tenant. The Tenant estoppel shall satisfy the requirements for delivery of estoppels under the applicable Lease in form and substance reasonably satisfactory to Mortgagee. In the event that Mortgagor is unable to deliver an estoppel certificate from such Tenant within such ten (10) Business Day period, then Mortgagor shall deliver to Mortgagee an estoppel certificate duly executed by Mortgagor as the landlord with respect to the applicable Lease in form and substance as required to be delivered by such Tenant under such Lease or otherwise reasonably satisfactory to Mortgagee.

(g) Payment of Costs. Except to the extent expressly prohibited by law, Mortgagor shall pay all taxes and fees, including transfer taxes, filing, registration, and recording fees, and all expenses incident to the preparation, execution, acknowledgment, negotiation, review, and release of the Notes, this Mortgage and the other Loan Documents, together with all replacements, modifications, extensions, consolidations, or restatements of the same.

(h) Mortgagee's Right of Entry and Inspection. Mortgagee and its agents may enter the Property upon one (1) Business Day's prior written notice to Mortgagor (notice to be given unless an Event of Default is continuing or an emergency exists, as determined by Mortgagee in good faith) to inspect the Property and Mortgagor's books and records relating to the Property during normal business hours. In making such entry and inspection, Mortgagee agrees to use reasonable efforts to minimize disturbance to Mortgagor, Tenant and any other tenants of the Property and such entry shall be subject to any restrictions in the Vireo NY Lease and any other applicable Lease, if any.

(i) Further Acts and Assurances. Mortgagor, at Mortgagor's expense, agrees to take such further actions and execute such further documents as Mortgagee may reasonably request to carry out the intent of the Loan Documents or to establish and protect the rights and remedies created or intended to be created in favor of Mortgagee under the Loan Documents or to protect the value of the Property and Mortgagee's security interests or liens therein, including control agreements with respect to Mortgagor's deposit accounts and securities accounts.

## ARTICLE VI
## MORTGAGEE AS ADMINISTRATIVE AGENT

**Section 6.01** Chicago Atlantic Financial Services, LLC has been appointed to act as Administrative Agent under the Notes by Holders under the Notes and, by their acceptance of the benefits hereof, the other Secured Creditors. Administrative Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including the release or substitution of the Property), solely in accordance with this Mortgage and the Notes, provided that Administrative Agent shall exercise, or refrain from exercising, any remedies provided for in Article IX in accordance with the instructions of Required Lenders. In furtherance of the foregoing provisions of this Section 6.01, each Secured Creditor, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Property hereunder, it being understood and agreed by such Secured Creditor that all rights and remedies hereunder may be exercised solely by the Administrative Agent for the ratable benefit of the applicable Holders and other Secured Creditors in accordance with the terms of this Section 6.01.

**Section 6.02** Administrative Agent shall at all times be the same Person that is Administrative Agent under the Notes. Written notice of resignation by the Administrative Agent pursuant to Section 5.09 of the Notes shall also constitute notice of resignation as Administrative Agent under this Mortgage; removal of Administrative Agent shall also constitute removal under this Mortgage; and appointment of an Administrative Agent pursuant to Section 5.09 of the Notes shall also constitute appointment of a successor Administrative Agent under this Mortgage. Upon the acceptance of any appointment as Administrative Agent under Section 5.09 of the Notes by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Administrative Agent under this Mortgage, and the retiring or removed Administrative Agent under this Mortgage shall promptly (a) transfer to such successor Administrative Agent all sums, securities and other items of Property held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under this Mortgage and (b) execute and deliver to such successor Administrative Agent or otherwise authorize the filing of such amendments to financing statements and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Administrative Agent of the lien and security interests created hereunder, whereupon such retiring or removed Administrative Agent shall be discharged from its duties and obligations under this Mortgage. After any retiring or removed Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Mortgage shall inure to its benefit as to any actions taken or omitted to be taken by it under this Mortgage while it was Administrative Agent hereunder.

**Section 6.03** Neither Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be liable to any party for any action taken or omitted to be taken by any of them under or in connection with this Mortgage or any other Loan Document (except for its own gross negligence or willful misconduct, as determined in a final non-appealable judgment of a court of competent jurisdiction).

**Section 6.04** Each reference herein to any right granted to, benefit conferred upon or power exercisable by "Administrative Agent" or "Mortgagee" shall be a reference to Administrative Agent, for the benefit of Secured Creditors.

## ARTICLE VII
## CASUALTY AND CONDEMNATION

If the Property, or any portion thereof, shall be damaged or destroyed by Casualty or become subject to any Condemnation, the terms, covenants, and conditions of this Article VII shall apply. As used in the Loan Documents, the term "**Casualty**" means the occurrence of damage or destruction to the Property, or any part thereof, by fire, flood, vandalism, windstorm, hurricane, earthquake, acts of terrorism, or any other peril; and the term "**Condemnation**" means the taking by any governmental authority of the Property or any part thereof through eminent domain or otherwise, including any transfer made in lieu of or in anticipation of the exercise or threatened exercise of such taking.

**Section 7.01 Provisions Applicable to Casualty and Condemnation**.

(a) Obligation to Notify Mortgagee. Mortgagor shall promptly notify Mortgagee, in writing, of any actual or threatened Condemnation or of any Casualty that damages or renders the Property or any material part thereof unusable.

(b) Mortgagee Consent Required. Mortgagor shall not make any agreement in lieu of Condemnation or accept any insurance proceeds with respect to a Casualty without Mortgagee's prior written consent, such consent not to be unreasonably withheld or delayed so long as no Event of Default has occurred or is continuing. Mortgagor shall provide Mortgagee with copies of all notices or filings made or received by Mortgagor in connection with any Casualty or Condemnation or with respect to collection of any insurance proceeds or Condemnation award, as applicable.

(c) Payment and Trust Provisions. So long as an Event of Default has occurred and is continuing, Mortgagor hereby grants Mortgagee the authority, at Mortgagee's option either to settle and adjust any claim arising with respect to the Casualty or Condemnation without Mortgagor's consent, or to allow Mortgagor to settle and adjust such claim; provided that, in either case, the insurance proceeds or Condemnation award, as applicable, is paid directly to Mortgagee. At all times when no Event of Default has occurred and is continuing, Mortgagor shall have the right to settle and adjust any claim arising with respect to the Casualty or Condemnation, subject to Mortgagee's approval, not to be unreasonably withheld or delayed. If any portion of the insurance proceeds or Condemnation award, as applicable, shall be payable to Mortgagee, but shall have been paid to Mortgagor, then subject to the foregoing, Mortgagor shall hold such amounts in trust for the benefit of Mortgagee to the extent required hereby and shall promptly remit such amounts to Mortgagee.

(d) Continuing Loan Obligations. Notwithstanding that a Casualty or Condemnation has occurred, or that rights to a Condemnation award or insurance proceeds are pending, no Casualty or Condemnation shall be deemed to excuse any payment obligations of Mortgagor hereunder and Mortgagor shall continue to pay the Debt and other payment obligations under the Loan Documents in strict accordance with the terms of the Notes and other Loan Documents.

(e) Payment of Mortgagee's Expenses. All expenses incurred by Mortgagee in the settlement and collection of amounts paid with respect to a Casualty or Condemnation (including reasonable legal fees and expenses) and with respect to the administering the repair and restoration as provided in Section 7.01(f) shall be deducted from such amounts and reimbursed to Mortgagee prior to any application as provided hereunder. As used in the Loan Documents, the term "**Restoration Proceeds**" means any insurance proceeds or Condemnation awards paid or payable on account of a Casualty or Condemnation, as applicable (including any business interruption insurance proceeds) less Mortgagee's reimbursable expenses as provided in this Section 7.01(e).

(f) Mortgagor Obligation to Repair and Restore. If Mortgagee makes Restoration Proceeds available to Mortgagor, Mortgagor shall use commercially reasonable efforts to diligently repair and restore the Property to at least equal value and substantially the same character as existed immediately prior to such Casualty or Condemnation. All plans and specifications for the repair and restoration and all contractors, subcontractors, and materialmen to be engaged in the repair and restoration, as well as the contracts under which they have been engaged, shall be subject to Mortgagee's prior review and written approval, not to be unreasonably withheld, conditioned, or delayed. Mortgagee may engage, at Mortgagor's reasonable expense, an independent engineer or inspector to assist Mortgagee in its review of any requests and to inspect the Property while work is in progress and at completion, which reasonable amounts can be deducted from insurance proceeds and condemnation awards as provided in Section 7.01(e).

**Section 7.02 Casualty**.

(a) Release of Restoration Proceeds for Casualty. If the Property shall be damaged or destroyed, in whole or in part, by any Casualty, then provided that insurance proceeds shall be received by Mortgagee as provided in Section 7.01(c) and provided, further that all conditions precedent set out in Section 7.02(b) shall be satisfied in Mortgagee's reasonable judgment, then, such proceeds shall be held by Mortgagee in a trust fund used to fund the Property's repair and restoration. In such event, Mortgagee shall disburse Restoration Proceeds for the repair and reconstruction of the Property on an "as work progresses" basis in accordance with customary construction lending requisition criteria and retainages. In no event shall the lien hereunder be reduced, except to the extent and by the amount of which Restoration Proceeds are applied to the Debt or in payment of any other Obligation as provided herein. Provided no Event of Default shall have occurred and be continuing, said trust fund shall be interest-bearing and interest, if any, shall be paid or credited to Mortgagor.

(b) Conditions Precedent to Release of Restoration Proceeds for Casualty. The following conditions precedent shall apply to any release of Restoration Proceeds by Mortgagee in connection with any Casualty:

(i) Restoration Proceeds in respect of the Casualty are sufficient to restore the Property to substantially the same condition that existed prior to the Casualty.

(ii) In Mortgagee's commercially reasonable determination, restoration can be completed no later than the earliest of:

(A) twelve (12) months from the date the Casualty occurred or the expiration of Mortgagor's business interruption insurance, whichever is earlier;

(B) the earliest date by which completion is required under the applicable Lease; or

(C) the earliest date by which completion is required under Applicable Law to preserve the right to rebuild the Improvements as they existed prior to the Casualty.

(c) Application of Restoration Proceeds for Casualty to the Obligations. If at any time any condition precedent of Section 7.02(b) is not met, then Mortgagee may apply Restoration Proceeds to the Obligations. No prepayment penalty or premium shall be applicable to any such application.

(d) Payment of Surplus Restoration Proceeds for Casualty. Provided no Event of Default shall be then existing, any excess Restoration Proceeds in respect of a Casualty after completion of all repairs and restoration shall, at Mortgagee's option to be exercised in its good faith, commercially reasonable discretion, either be released to Mortgagor or shall continue to be held pursuant hereto to pay any shortfall to Property operating expenses.

**Section 7.03 Condemnation**.

(a) Application of Restoration Proceeds for Condemnation. In the event of a Condemnation other than a Partial Condemnation, Mortgagee shall apply the Restoration Proceeds pursuant to Section 7.03(d). As used in the Loan Documents, the term "**Partial Condemnation**" means a taking by Condemnation affecting less than ten percent (10.00%) of the Land and no portion of the Improvements and, as to the Land taken, such Land must only be along the perimeter of the Property.

(b) Release of Restoration Proceeds for Partial Condemnation. In the event of a Partial Condemnation and provided that the condemnation award shall be received by Mortgagee pursuant to Section 7.01(c) and all conditions precedent set out in Section 7.03(c) are satisfied in Mortgagee's reasonable judgment, then, such proceeds shall be held by Mortgagee in a trust fund used to fund the Property's repair and restoration. Mortgagee shall disburse Restoration Proceeds for the repair and reconstruction of the Property that is subject to Partial Condemnation on an "as work progresses" basis in accordance with customary construction lending requisition criteria and retainages. In no event shall the lien hereunder be reduced, except to the extent and by the amount of which Restoration Proceeds are applied to the Debt or in payment of any other Obligation as provided herein. Provided no Event of Default shall have occurred and be continuing (beyond any applicable notice and cure period), said trust fund shall be interest-bearing and interest, if any, shall be paid or credited to Mortgagor.

(c) Conditions Precedent to Release of Restoration Proceeds for Partial Condemnation. The following conditions precedent shall apply to any release of Restoration Proceeds in connection with any Partial Condemnation:

(i) No Event of Default shall have occurred and be continuing (beyond any applicable notice and cure periods) under the Loan.

(ii) Restoration Proceeds in respect of the Partial Condemnation are sufficient to restore the Property to substantially the same condition that existed prior to the Partial Condemnation.

(iii) In Mortgagee's commercially reasonable determination, restoration can be completed no later than the earlier of:

(A) Six (6) months from the date the Partial Condemnation occurred; or

(B) the earliest date by which completion is required under Applicable Law to preserve the right to rebuild the Improvements as they existed prior to the Partial Condemnation.

(d) Application of Restoration Proceeds for Condemnation. In the event of a Condemnation other than a Partial Condemnation, or if at any time any condition precedent of Section 7.03(c) is not satisfied, then Mortgagee may apply Restoration Proceeds to the Obligations. No prepayment penalty or premium shall be applicable to any such application. Any excess Condemnation award remaining in the trust fund after the completion of all repairs and restoration undertaken pursuant to Section 7.03(b) shall be applied to the Obligations.

## ARTICLE VIII
## NO TRANSFERS; DUE ON SALE

**Section 8.01 Prohibition Against Transfers.** Mortgagor shall not permit any Transfer or cause any Transfer to occur other than a Permitted Transfer, as defined in Section 8.03. Any Transfer made in violation hereof shall be an Event of Default. As used herein and in the other Loan Documents, the term "**Transfer**" means any action by which: (a) the legal or beneficial ownership of the Equity Interests in Mortgagor; (b) the legal or equitable title to the Property, or any part thereof; or (c) the cash generated by the Property or any portion thereof, is sold, assigned, transferred, hypothecated, pledged, or otherwise encumbered or disposed of, whether undertaken directly or indirectly, or occurring by operation of law or otherwise. By way of illustration and not limitation, the term Transfer includes the sale, conveyance, assignment, or the grant of an option, mortgage, deed of trust, pledge, or security interest in, or any other transfer in whole or in part of, the Property, as security or otherwise; the grant of an easement affecting the Property or any other agreement granting rights in or restricting the use or development of the Property, including air, water, and mineral rights; an installment sale wherein Mortgagor agrees to sell the Property for a price to be paid in installments; or an agreement by Mortgagor to lease all or a substantial part of the Property for a use other than actual occupancy by a space tenant thereunder.

**Section 8.02 Due on Sale.** Upon any Transfer other than a Permitted Transfer, the Loan shall be immediately due and payable in full, together with all amounts due under the Loan Documents.

**Section 8.03 Permitted Transfers.** Mortgagee shall have the right in its reasonable discretion to approve, conditionally approve, or disapprove any Transfer, other than a Permitted Transfer. As used in the Loan Documents, the term "**Permitted Transfer**" means:

(a) Transfers of Equity Interests which, in the aggregate over the term of the Loan:

(i) Do not exceed forty-nine percent (49.00%) of the total Equity Interests in Mortgagor, or result in any Person holding an Equity Interest in Mortgagor, which exceeds forty-nine percent (49.00%) of the total Equity Interests in Mortgagor; and

(ii) Do not result in a change of Control of Mortgagor or Guarantor.

(b) Transfers with respect to any Person whose stocks or certificates are traded on a nationally recognized stock exchange.

(c) Transfers which have been approved by Mortgagee.

(d) Permitted Encumbrances.

(e) Transfers of worn out or obsolete furnishings, fixtures, or equipment that are promptly replaced with property of equivalent value and functionality.

(f) New or renewal Leases approved by Mortgagee or those permitted without prior approval in accordance with this Mortgage.

(g) A Transfer of direct or indirect Equity Interests in Mortgagor or Guarantor among Affiliates of the current holders of Equity Interests in Mortgagor or Guarantor as of the Effective Date, including internal reorganizations and restructurings, provided that (i) Mortgagor remains a Single Purpose Entity, (ii) there is no change of Control of Mortgagor or Guarantor, and (iii) Mortgagor provides Mortgagee with written notice of such transfer within ten (10) Business Days after the effective date thereof, together with updated organizational charts reflecting the post-transfer ownership structure.

## ARTICLE IX
## EVENTS OF DEFAULT; REMEDIES

**Section 9.01 Events of Default.** The occurrence of any one or more of the following events shall constitute an "**Event of Default**" under this Mortgage and the Loan:

(a) Payment Default. If Mortgagor shall fail to pay within five (5) Business Days after such payment is due, subject to any applicable notice and cure period, any payment required to be made by Mortgagor under this Mortgage, any Note, or any other Loan Document.

(b) Maturity Default. If unpaid principal, accrued but unpaid interest, and all other amounts outstanding under the Loan are not paid in full on or before the Maturity Date, time being of the essence.

(c) Cross-Default. If a material "**Event of Default**" (as that term is defined in the applicable Loan Documents) occurs under any other Loan Document or a default beyond applicable notice and cure periods occurs with respect to any Affiliate Lease Agreement.

(d) False Representation or Warranty. If any representation or warranty made by Mortgagor or Guarantor in any of the Loan Documents, or in any certificate, report, financial statement, or other instrument or document furnished to Mortgagee in connection with the Loan or in any request hereafter made for Mortgagee's consent shall be false or misleading in any material respect.

(e) Insolvency, Bankruptcy, and Debtor Relief.

(i) Admission of Insolvency. If Mortgagor or Guarantor shall admit in writing its inability to pay its debts as they become due, make an assignment for the benefit of creditors, or generally not pay its debts as they become due.

(ii) Voluntary Bankruptcy and Debtor Relief. If Mortgagor or Guarantor shall commence any case, proceeding, or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship, or relief of debtors seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or seeking appointment of a receiver, trustee, custodian, conservators, or other similar official for it or for all or any substantial part of its assets.

(iii) Involuntary Bankruptcy. If there shall be commenced against Mortgagor or Guarantor any case, proceeding, or other action of a nature referred to in subsection (e)(ii) above by any party other than Mortgagee which results in the entry of an order for relief or any such adjudication or appointment or remains undismissed, undischarged, or unbonded for a period of sixty (60) days.

(f) Attachment or Distraint. If there shall be commenced against Mortgagor or Guarantor any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or a substantial part of the Property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within sixty (60) days from the entry thereof.

(g) Judgments and Liens. If any judgment for monetary damages is entered against Mortgagor or Guarantor or if any Lien other than a Permitted Encumbrance is filed against the Property which, in Mortgagee's reasonable judgment, has a Material Adverse Effect or is not covered to Mortgagee's reasonable satisfaction by collectible insurance proceeds. As used in the Loan Documents, the term "**Material Adverse Effect**" means, with respect to any circumstance, act, condition, or event of whatever nature, including determinations made in any litigation, arbitration, or governmental investigation or proceeding, whether singly or in conjunction with any other event, act, condition, or circumstances, whether or not related, which in Mortgagee's reasonable judgment causes a material change or adverse effect upon: (i) the business, operations, prospects, or financial condition of Mortgagor or Guarantor; (ii) the ability of either Mortgagor or Guarantor to perform its Obligations under any Loan Document to which it is a party; (iii) the use, value, or condition of the Property; (iv) the compliance of the Property with any Applicable Law; or (v) the validity, priority, or enforceability of any Loan Document or the liens, rights, or remedies of Mortgagee thereunder, including recourse against the Property.

(h) Transfer Violation. If a Transfer shall occur in violation of Article VIII or in violation of any terms and conditions contained in Mortgagee's consent to a Transfer.

(i) Insurance Default. If Mortgagor fails to obtain, pay for or timely deliver evidence of the insurance coverages required under the Loan and such failure continues for thirty (30) days after written notice from Mortgagee.

(j) Taxes Default. If any Taxes are not paid when due and payable.

(k) Violating Formation and Existence Requirements. If Mortgagor or Guarantor shall:

(i) Dissolve or fail to remain in good standing in each of their respective state of formation;

(ii) Fail to remain authorized to do business in New York if required under this Mortgage; or

(iii) Breach any covenant contained in Article III.

(l) Prohibited Action in Respect of Leases. If Mortgagor breaches any covenant contained in Section 5.02.

(m) Other Defaults. Except to the extent otherwise specifically set forth in this Mortgage or other Loan Document, if any other default shall occur which is not cured:

(i) In the case of any default which can be cured by the payment of a sum of money, within ten (10) Business Days after written notice from Mortgagee to Mortgagor; or

(ii) In the case of any other default, within thirty (30) days after written notice from Mortgagee to Mortgagor, except that if said default cannot be cured within such time period and provided that Mortgagor is diligently pursuing a cure and no other Event of Default is then existing, then, Mortgagor shall have an additional reasonable period to effect a cure, but in no event shall the entire cure period be more than ninety (90) days.

**Section 9.02 Mortgagee's Remedies.** Upon the occurrence and during the continuance of an Event of Default, in addition to all other rights, remedies, and powers of Mortgagee at law or in equity, all of which Mortgagee hereby reserves, Mortgagee may take any action described in this Section 9.02 to the fullest extent permitted by law. Any and all actions taken hereunder may be pursued by Mortgagee in its own name or in the name of Mortgagee's nominee, without notice or demand of any kind, except as otherwise expressly provided in the Loan Documents or by Applicable Law. To the extent permitted by Applicable Law, Mortgagee may exercise all rights, remedies, and powers at such time and in such manner as Mortgagee determines in its discretion, including exercising one or more remedies concurrently, without impairing or adversely affecting any other rights, remedies, and powers granted or reserved hereunder.

(a) Entry and Possession. Mortgagee shall have the right to enter upon and take possession of the Property, and dispossess and exclude Mortgagor, its agents, and servants by summary proceedings or otherwise. In furtherance hereof, Mortgagee shall have all rights granted at law or in equity to mortgagees-in-possession, including taking possession of all books, records, and accounts relating to the Property; using, operating, managing, and controlling the Property and every part thereof; and entering into, enforcing, and modifying Leases and Property Agreements.

(b) Protective Advances. Mortgagee shall have the right to make any payments or incur any expenses that Mortgagee shall reasonably determine are necessary to protect or preserve the Property and Mortgagee's Lien and security interests therein. In furtherance of this right, Mortgagor hereby authorizes Mortgagee to make such payments and to incur such expenses in Mortgagee's reasonable discretion to the extent reasonably necessary to protect or preserve the Property and Mortgagee's security interests therein. All reasonable and documented amounts paid by Mortgagee hereunder shall be secured by this Mortgage and added to the Obligations with interest thereon at the Applicable Interest Rate (or, during the continuance of an Event of Default, the Default Rate) from the date of payment until repayment in full. Mortgagee shall be subrogated to the rights of Mortgagor, if any, under any contract or agreement paid, or any debt or Lien discharged, by a protective advance made by Mortgagee pursuant to this Section 9.02(b).

(c) Acceleration. Mortgagee may declare all Obligations immediately due, payable, and collectible, regardless of maturity, and, upon such event, all Obligations shall become, without further presentment, protest, notice or demand (all of which presentment, protest, notice and demand Borrower expressly waives) immediately due, payable, and collectible (provided, that, upon the occurrence of any Event of Default described in Section 9.01(d), all Obligations shall automatically become immediately due and payable without further presentment, protest, notice or demand (all of which presentment, protest, notice and demand Borrower expressly waives)); and thereupon Mortgagee may exercise all rights and remedies granted hereunder or at law, with or without notice to Mortgagor, including instituting any proceedings to foreclose this Mortgage, by judicial action or by any other action permitted hereunder or by Applicable Law. No prepayment penalty or premium shall be due in connection with any acceleration of the Loan.

(d) Foreclosure. Mortgagee may, with or without taking possession of the Property, institute a foreclosure proceeding in accordance with Article 13 of the New York Real Property Actions and Proceedings Law or any other Applicable Law in effect on the date foreclosure is commenced, or take any other action as may be allowed, at law or in equity, for the complete or partial foreclosure of this Mortgage to the full extent permitted by law. Mortgagee may bid at any foreclosure sale and may purchase the Property in such proceedings. If Mortgagee shall be the winning bidder at a foreclosure sale, then, in lieu of paying cash, Mortgagee may satisfy all or a portion of the purchase bid by taking a credit against the bid amount for any outstanding Debt then due Mortgagee, including the costs and expenses of enforcing the Obligations, up to the aggregate outstanding Debt then due.

(e) Deficiency Judgment. Except as otherwise provided in the Loan Documents or by Applicable Law, Mortgagee may sue for and obtain a judgment for any deficiency remaining with respect to the Obligations after applying all amounts received by Mortgagee in furtherance of the exercise of its rights to enforce this Mortgage as provided in this Section 9.02.

(f) UCC Foreclosure and Other Rights. With respect to any Personal Property, Mortgagee may exercise all rights, remedies, and powers accruing to Mortgagee under the Loan Documents, the NY UCC, or any other remedy available at law or in equity. In furtherance thereof, Mortgagee may take possession of any Personal Property and take such measures as Mortgagee deems necessary for the care, protection, and preservation of such Personal Property. Mortgagee shall have the right to require Mortgagor, at its sole expense, to assemble any Personal Property and make it available to Mortgagee at such time and place as Mortgagee may direct. In exercising the right to sell any Personal Property pursuant to the NY UCC, Mortgagor hereby agrees that ten (10) Business Days' prior written notice of such action shall constitute reasonable advance notice to Mortgagor.

(g) Appointment of Receiver. Mortgagee may apply for the appointment of a receiver of Mortgagor, the Rents, or the Property, or any of the foregoing, without notice to Mortgagor. Except as may be required by Applicable Law, Mortgagee shall be entitled to the appointment of a receiver as a matter of right, without consideration of the value of the Property securing the Debt, or the solvency of any Person liable for the payment of such amounts. Mortgagor hereby consents to such appointment, whether during the pendency of a foreclosure proceeding or otherwise, and waives notice of any application therefor, unless notice is expressly required by Applicable Law.

(h) Right to Sue. Mortgagee may, from time to time, take any legal action permitted by Applicable Law to recover any sums due under the Loan Documents, without regard to whether the Loan has been accelerated, or whether foreclosure and any other enforcement action has been commenced. Mortgagee may exercise this right without prejudicing Mortgagee's right to concurrently take any other enforcement action, including foreclosure.

(i) No Obligation to Marshal Assets. In exercising its rights and remedies under this Mortgage, Mortgagee shall have no obligation to marshal assets or to realize upon all the Property. Mortgagor hereby waives any right to have any of the Property marshaled in connection with any sale or other exercise of Mortgagee's rights, remedies, and powers hereunder.

**Section 9.03 Omnibus Provisions Pertaining to Mortgagee's Rights and Remedies**.

(a) Remedies Cumulative. The rights, powers, and remedies of Mortgagee hereunder are separate, distinct, and cumulative with all other rights, powers, and remedies of Mortgagee in the other Loan Documents, at law, or in equity, each of which may be exercised independently, concurrently, and successively in Mortgagee's discretion. Mortgagee's election of any right, power, or remedy shall not be deemed exclusive of any other and shall not bar or limit the exercise of any other right, power, or remedy.

(b) No Waiver. No delay or failure by Mortgagee to accelerate the Loan or exercise any right, power, or remedy shall be deemed a waiver by Mortgagee of, or estop Mortgagee from, the future exercise thereof. No partial exercise of any right, power, or remedy shall preclude the further exercise thereof. Notice or demand given to Mortgagor in any instance shall not entitle Mortgagor to notice or demand in any other instance, except as expressly required by the Loan Documents or by Applicable Law. Mortgagee may release security for the Loan, may release any party liable therefor, may grant extensions and forbearances, may accept partial or past due amounts, and may apply any sums or other security held by Mortgagee to the repayment of the Loan, in each case without prejudice to Mortgagee and without such action being deemed an accord and satisfaction or a reinstatement of the Loan.

(c) Discontinuance of Proceedings. If Mortgagee commences the enforcement of any right, power, or remedy, whether afforded under the Loan Documents or otherwise and such enforcement is then discontinued or abandoned for any reason, then and in every such case, Mortgagee shall be restored to its former positions and rights hereunder without waiver of any Event of Default and without novation, and all rights, powers, and remedies of Mortgagee shall continue as if no such enforcement had been commenced.

(d) Reimbursement for Enforcement Costs. Mortgagor shall reimburse Mortgagee within thirty (30) days of written demand for all reasonable actual and documented costs, fees, and expenses (including loan servicing fees and reasonable attorneys' fees) incurred by Mortgagee in connection with any enforcement action taken in accordance with this Article IX. All sums so incurred shall be added to the Debt and shall be secured by this Mortgage. The exercise by Mortgagor of any statutory rights of redemption shall be expressly conditioned on Mortgagor's payment of the foregoing and on the payment and performance of all obligations required under any applicable redemption statute.

(e) Right of Setoff. In addition to, but not in limitation of, any rights, remedies, and powers granted to Mortgagee and the other Secured Creditors under the Loan Documents, at law, or in equity, each Secured Creditor is hereby authorized at any time and from time to time, without notice to Mortgagor or any other Person, such notice being hereby expressly waived, to apply to the Obligations owed such Secured Creditor under the Loan Documents any amounts then deposited in any escrow or reserve account, if any, or in such Secured Creditor's possession, or over which such Secured Creditor has a security interest, including any Restoration Proceeds. Such right shall be exercisable by such Secured Creditor only after the Obligations for which such amounts are secured have matured or been accelerated in accordance with this Mortgage, subject, with respect to any Secured Creditor other than Mortgagee, to Section 5.06 of the Notes.

(f) Application of Proceeds. The proceeds of the Property, together with any other sums that may be held by Mortgagee under this Mortgage, whether under the provisions of this Article IX or otherwise, shall be applied in the order Mortgagee determines in its discretion or as directed by Required Holders, as the case may be, except as otherwise expressly required by the Loan Documents, an order from a New York court of competent jurisdiction, or the requirements of Applicable Law.

## ARTICLE X
## MISCELLANEOUS

**Section 10.01 Notices.** Unless specifically stated otherwise in this Mortgage, all notices, requests, and communications required or permitted to be delivered hereunder shall be in writing and delivered to all Persons at the addresses below, by one of the following methods:

(a) Overnight Delivery. A nationally recognized overnight courier company, which shall be deemed to have occurred the Business Day following deposit with the courier.

(b) Certified Mail. Certified mail return receipt requested and postage-prepaid, whereby delivery is deemed to have occurred on the third Business Day following deposit with the United States Postal Service.

(c) Electronic Delivery. Electronic transmission (facsimile or email) provided that the transmission is completed no later than 5:00 p.m. E.S.T. on a Business Day and the original also is sent via overnight courier or U.S. Mail, whereby delivery is deemed to have occurred at the end of the Business Day on which such electronic transmission is completed, provided the duplicate physical notice is sent as required hereunder.

| | |
|---|---|
| To Mortgagor: | 256 County Route 117 Perth LLC<br>c/o Vireo Growth Inc.<br>207 South 9th Street<br>Minneapolis, MN 55402<br>Attention: Sean Apfelbaum, General Counsel<br>Telephone: [***]<br>E-mail: [***] |
| with a copy to: | Eversheds Sutherland (US) LLP<br>227 West Monroe Street, 60th Floor<br>Chicago, IL 60606<br>Attention: Marc A. Benjamin<br>Telephone: [***]<br>E-mail: [***] |
| To Mortgagee: | Chicago Atlantic Financial Services, LLC<br>420 North Wabash Avenue, Suite 500<br>Chicago, Illinois 60611<br>Attention: Loan Department<br>E-mail: [***] |
| with a copy to: | Kilpatrick Townsend & Stockton LLP<br>1100 Peachtree Street, Suite 2800<br>Atlanta, Georgia 30309<br>Attention: Shannon C. Baxter<br>E-mail: [***] |

Any party may change its address for purposes of this Section 10.01 by giving written notice as provided in this Section 10.01. Notices to counsel or parties other than Mortgagor, Mortgagee, their permitted successors and assigns, or the Loan's servicer, whether now or hereafter designated by a party as entitled to notice hereunder, are for convenience only and any failure to notify such other parties shall not affect the validity of any notice if sent in accordance with this Section 10.01.

**Section 10.02 Usury Saving Clause.** At no time is Mortgagor required to pay interest on the Loan or on any other payment due hereunder or under any of the other Loan Documents at a rate which would subject Mortgagee or any other Secured Creditor either to civil or criminal liability as a result of being in excess of the maximum interest rate permitted by law. If interest, or any amount deemed interest, whether paid or payable by Mortgagor exceeds or is deemed to exceed the maximum interest rate permitted by Applicable Law, then the amount to be paid shall be reduced by such amount so that the amount to be paid shall not exceed the maximum rate permitted by law. Any payments made in excess of such maximum interest rate shall be deemed to have been payments of principal in inverse order of maturity and not of interest.

**Section 10.03 No Joint Venture; No Third-Party Beneficiaries.** Mortgagor, on the one hand, and Mortgagee, for the benefit of Secured Creditors, intend that the relationship created hereunder and under each of the other Loan Documents is solely that of borrower and lender. Nothing herein or in any of the other Loan Documents is intended to create, nor shall it be construed as creating, anything but a debtor-creditor relationship between Mortgagor and Mortgagee and no such relationship shall be drawn or implied from any of Mortgagee's actions or from any prior relationship between the parties. No rights reserved or granted to Mortgagee under the Loan Documents shall be deemed to confer those rights on anyone other than Mortgagee and its successors and assigns except as expressly provided in Article V of the Notes. Mortgagee shall have no obligation to Mortgagor or any other Person in respect of the Obligations or the Property, or any part thereof, and no party shall be deemed a third-party beneficiary entitled to enforce the performance or observance of any of the rights or obligations created in favor of Mortgagee or any other Secured Creditor under the Loan Documents, including under Article V of the Notes.

**Section 10.04 Mortgagee Approval.** Wherever the Loan Documents give Mortgagee the right to approve or disapprove an action, grant or withhold its consent, waive a requirement, or make any decision, all such matters shall be determined by Mortgagee in its sole and absolute discretion, unless expressly provided otherwise in the Loan Documents. By approving or granting consent, accepting or waiving performance, or making decisions, Mortgagee shall not be deemed to have warranted or affirmed the sufficiency, completeness, legality, or effectiveness of the subject matter or of Mortgagor's compliance with Applicable Law or constitute an undertaking by Mortgagee to perform any Obligation of Mortgagor.

**Section 10.05 Performance at Mortgagor's Expense.** Mortgagor acknowledges and agrees that each of Mortgagee and Holders reserves the right to collect from Mortgagor a fee based on a reasonable estimate of the administrative costs as determined by Mortgagee to review or process any request to: (a) modify or waive any provision of the Loan Documents; (b) release or substitute Property; or (c) obtain Mortgagee's approval or consent whenever required by the Loan Documents including in connection with: (i) a Transfer request; (ii) matters affecting Leases, including amending existing Leases or entering into new Leases; (iii) making improvements or alterations to the Property; and (iv) entering into easements or other agreements affecting the Property. Mortgagor agrees to pay such reasonable fees, along with all reasonable actual and documented legal fees and expenses incurred by Mortgagee within thirty (30) days of demand. Any amounts payable by Mortgagor hereunder shall become part of the Debt and be secured by this Mortgage.

**Section 10.06 Mortgagee's Right of Assignment.** This Mortgage may be assigned, sold, or transferred, in whole or in part, by Mortgagee to any Person at any time. Mortgagee shall endeavor to use good faith, commercially reasonable efforts to promptly provide Mortgagor with written notice of the same, but the failure to do so shall not constitute a breach of this Mortgage.

**Section 10.07 No Merger.** In the event that Mortgagee's interest under this Mortgage and title to the Property or any estate therein shall become vested in the same Person or entity, this Mortgage shall not merge in such title but shall continue as a valid lien on the Property for the amount secured hereby, unless expressly provided otherwise in writing executed by the Person in whom such interests, title, and estate are vested.

**Section 10.08 After-Acquired Property.** This Mortgage shall encumber, encompass, cover, and apply to and include any and all "after-acquired property" of Mortgagor located at, adjacent, or adjoining to or in any way associated with the use or operation of Property, and such after-acquired property shall be a part of the Property.

**Section 10.09 Waiver of Jury Trial.** EACH OF MORTGAGOR AND MORTGAGEE HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE EXTENT PERMITTED BY NEW YORK LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY PROCEEDING DIRECTLY OR INDIRECTLY RELATING TO THIS MORTGAGE, THE OTHER LOAN DOCUMENTS, THE DEBT, OR THE LOAN WHETHER BASED ON CONTRACT, EQUITY, TORT, OR ANY OTHER THEORY.

**Section 10.10 New York Statutory Provisions**. In the event of any inconsistencies between the terms and conditions of this Section 10.10 and the other terms and conditions of the Mortgage, the terms and conditions of this Section 10.10 shall control and be binding, but only to the extent of such inconsistency.

(a) Statement Pursuant to New York Tax Law; Commercial Property. Mortgagor represents and warrants that within the meaning prescribed under N.Y. Tax Law Section 2531(1-a)(a), this Mortgage does not encumber real property principally improved or to be improved by one (1) or more structures containing in the aggregate not more than six (6) residential dwelling units, each having their own separate cooking facilities.

(b) Maximum Principal Indebtedness Secured. Notwithstanding anything contained herein to the contrary, the maximum principal indebtedness secured by this Mortgage at execution or which under any contingency may become secured hereby at any time hereafter is the principal sum of FORTY-ONE MILLION AND NO/100 DOLLARS ($41,000,000.00) plus all accrued but unpaid interest thereon and all amounts expended by Mortgagee hereunder to maintain the lien of this Mortgage or to protect the Property secured by this Mortgage during the continuance of an Event of Default, to the extent that any such amounts shall constitute payment of (a) taxes, charges or assessments which may be imposed by law upon the Property; (b) premiums on insurance policies covering the Property; and (c) reasonable and documented expenses reasonably incurred in upholding the lien of this Mortgage, including (i) the expenses of any litigation to prosecute or defend the rights and lien created by this Mortgage, (ii) any amount, cost or charges to which Mortgagee becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority and (iii) interest at the Default Rate in accordance with the terms herein.

(c) Statement Pursuant to New York Real Property Law Article 4-a. If this Mortgage shall be deemed to constitute a "mortgage investment" as defined by New York Real Property Law Section 125, then this Mortgage shall and hereby confers upon Mortgagee the powers and imposes upon Mortgagee the duties of trustees set forth in New York Real Property Law Section 126.

(d) Section 13 of New York Lien Law. Pursuant to Section 13 of the Lien Law of New York, Mortgagor shall receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of any improvement and shall apply such advances first to the payment of the cost of any improvement before using any part thereof for any other purpose. Mortgagor shall comply strictly with Section 13 of the Lien Law of New York.

(e) Section 291-f Protection. Mortgagee shall have all the rights set forth in Section 291-f of the Real Property Law of New York. For purposes thereto, all existing tenants and every tenant or subtenant who, after the recording of this Mortgage, enters into a Lease of any portion of the Property, or who acquires by instrument of assignment or by operation of law a leasehold estate upon the Property, is hereby notified that Mortgagor may not, without obtaining Mortgagee's prior written consent in each instance, cancel, abridge, or modify any Lease, or accept any prepayments of rent for more than one (1) month in advance of its due date with respect to any Lease thereof having an unexpired term on the date of this Mortgage of five (5) years or more, except as expressly permitted under the Loan Documents, and that any such cancellation, modification, or prepayment made by any such tenant or subtenant without either being expressly permitted under this Mortgage or receiving Mortgagee's prior written consent shall be voidable by Mortgagee at its option.

(f) Statutory Rights Not Exclusive. Except as otherwise expressly provided herein, all covenants of Mortgagor herein contained shall be construed as affording to Mortgagee rights additional to and not exclusive of the rights conferred under the provisions of Sections 254, 271, 272, and 291-f of the New York Real Property Law.

(g) Section 254(4) of the RPL. In the event of any conflict, inconsistency, or ambiguity between the provisions of this Mortgage and the provisions of subsection 4 of Section 254 of the Real Property Law of New York covering the insurance of buildings against loss by fire, the provisions of this Mortgage shall control.

(h) Release and Assignment. Notwithstanding anything to the contrary contained in this Mortgage, upon payment to Mortgagee of the indebtedness secured by this Mortgage, Mortgagor shall be entitled to receive, at the option and upon the written request of Mortgagor, either a release of record of this Mortgage or an assignment of this Mortgage by Mortgagee to any new lender designated by Mortgagor in recordable form, without payment of any further sums to Mortgagee other than Mortgagee's customary and reasonable servicing fees and reasonable attorneys' fees relating thereto.

**Section 10.11 Amendments, Extensions, and Modifications.** No amendment, supplement, or other modification of this Mortgage shall be effective unless it is in writing and executed by Mortgagor and Mortgagee.

**Section 10.12 Headings; Time of the Essence.** The headings of the various articles, sections, and subsections in this Mortgage are for reference only and shall not define, expand, or limit any of the terms or provision thereof. **TIME IS OF THE ESSENCE** with respect to all Mortgagor's Obligations under this Mortgage and the other Loan Documents.

**Section 10.13 Construction**. The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Mortgage as a whole and not to any particular section, paragraph or subdivision. Any pronoun used shall be deemed to cover all genders. References in this Mortgage to "Sections" shall be to the Sections of this Mortgage unless otherwise specifically provided. All references in this Mortgage or any other Loan Document to statutes shall include all amendments of same and implementing regulations and any successor statutes and regulations; to any instrument, document or agreement shall include any and all modifications and supplements thereto and any and all restatements, extensions or renewals thereof to the extent such modifications, supplements, restatements, extensions or renewals of any such instrument, document or agreement are permitted by the terms hereof and thereof; to any Person means and includes the successors and permitted assigns of such Person; or to "including" shall be understood to mean "including, without limitation". Unless the context of this Mortgage clearly requires otherwise, references to the plural include the singular, references to the singular include the plural and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." An Event of Default shall be deemed to exist at all times during the period commencing on the date that such Event of Default occurs to the date on which such Event of Default is waived in writing pursuant to this Mortgage. All references in this Mortgage to the consent, discretion, or satisfaction of, acceptability to or approval by Mortgagee shall be deemed to mean the consent, discretion or satisfaction of, acceptability to or approval by Mortgagee in its sole and absolute discretion, except as otherwise expressly provided herein.

**Section 10.14 Intercreditor Agreement**. The Obligations are subordinate, in the manner and to the extent set forth in that certain Intercreditor and Subordination Agreement, dated as of May 26, 2026 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "**Intercreditor Agreement**"), among IIP-NY-2 LLC, a Delaware limited liability company, Mortgagor, Holders and Mortgagee to the Senior Indebtedness (as defined therein), and Mortgagee, by its acceptance hereof, acknowledges and agrees to be bound by the provisions of the Intercreditor Agreement.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, Mortgagor has executed this Mortgage as of the date set forth above.

**MORTGAGOR:**

**256 COUNTY ROUTE 117 PERTH LLC.**
a Delaware limited liability company

By: /s/ Tyson Macdonald
Name: Tyson Macdonald
Title: Chief Financial Officer

STATE OF ILLINOIS )
) ss:
COUNTY OF COOK )

On the 21st day of May, 2026. before mc, the undersigned. personally appeared Tyson Macdonald. personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to mc that he executed the same in his capacity, and that by his signature on the instrument. the individual, or the person upon behalf of which the individual acted, executed the instrument.

/s/ Laura Ferandes
NOTARY PUBLIC
Name: Laura Ferandes
My commission expires: 01-12-27

**Exhibit 31.1**

**CERTIFICATION PURSUANT TO**
**RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,**
**AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John Mazarakis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vireo Growth Inc.;

2. 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;

3. 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;

4. The registrant's other certifying officer 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 15d-15(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;

(b) 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;

(c) 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

(d) 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

5. The registrant's other certifying officer 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: August 14, 2026

By: */s/ John Mazarakis*
John Mazarakis
Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATION PURSUANT TO**
**RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,**
**AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tyson Macdonald, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vireo Growth Inc.;

2. 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;

3. 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;

4. The registrant's other certifying officer 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 15d-15(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;

(b) 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;

(c) 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

(d) 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

5. The registrant's other certifying officer 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: August 14, 2026

By: */s/ Tyson Macdonald*
Tyson Macdonald
Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the report of Vireo Growth Inc. (the "**Company**") on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "**Report**"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

*/s/ John Mazarakis*
John Mazarakis
Title: Chief Executive Officer
Date: August 14, 2026

*/s/ Tyson Macdonald*
Tyson Macdonald
Title: Chief Financial Officer
Date: August 14, 2026