

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): June 10, 2024

BLUM HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	000-56626 (Commission File Number)	93-3735199 (IRS Employer Identification No.)
3242 S. Halladay St., Suite 202 Santa Ana, California (Address of principal executive offices)		92705 (Zip Code)

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

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Indicate by check mark whether the registrant is an emerging growth company as defined in in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by checkmark 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.

Item 1.01. Entry into a Material Definitive Agreement.

On June 10, 2024, Unrivaled Brands, Inc. (“Unrivaled”), a wholly owned subsidiary of Blum Holdings, Inc. (the “Company”), entered into a Membership Interest Purchase Agreement (the “MIPA”) and simultaneously completed the sale (the “Disposition”) of its controlling membership interest in People’s First Choice, LLC (“PFC”) to Haven Nectar, LLC (“Haven Nectar”). Haven Nectar is a recently formed entity owned and controlled by Mr. Shubham Pandey. PFC owns and operates a cannabis retail dispensary campus in Santa Ana, California named *Blüm* Santa Ana. In connection with the MIPA, People’s California, LLC (“Peoples”), sold its minority interest in PFC to Haven Nectar.

Based on estimates included in the unaudited pro forma condensed consolidated financial statements for the period ended March 31, 2024, the total transaction consideration was \$24.8 million. Pursuant to the MIPA, Haven Nectar acquired the 80% membership interests of Unrivaled and the 20% membership interests of People’s. The consideration includes \$9.0 million in cash (the “Cash Consideration”) and the assumption of PFC’s liabilities (“PFC’s Liabilities”).

The Cash Consideration is in the form of \$8.0 million paid in cash at closing and a \$1.0 million secured promissory note to be paid over 12 months. The Cash Consideration was paid to People’s for settlement of the debt pursuant to the binding settlement term sheet between Unrivaled and People’s entered into on March 6, 2023 (the “Settlement Term Sheet”). As a result of the sale and pursuant to the terms of the Settlement Term Sheet, after the Cash Consideration, the remaining debt to People’s is settled, subject to any deficiencies as defined therein. The PFC liabilities are comprised of \$5.53 million in accounts payable and accrued liabilities and \$8.59 million in income tax payable, and pursuant to US GAAP \$1.03 million in Tax Provision and \$0.69 million in Lease Liabilities, for an aggregate of \$15.84 million in liabilities.

As a result of the sale of PFC and pursuant to the Settlement Term Sheet, the total estimated extinguishment of liabilities expected is \$44.46 million based on pro forma estimates from the Company’s March 31, 2024 financial statements on Form 10-Q as filed with the SEC on May 14, 2024, which liabilities are comprised of \$5.64 million in total accounts payable and accrued liabilities, \$8.59 million in income tax payable, \$23.89 million in promissory notes and accrued interest, \$5.31 million in lease liabilities, and \$1.03 million in tax provision.

The total estimated gain from the sale of PFC is \$33.98 million or \$3.09 per Common Share based on estimates included in the unaudited pro forma condensed consolidated financial statements for the period ended March 31, 2024 which gain is comprised of \$24.84 million in total consideration plus \$9.13 million in net liabilities that were disposed.

Under the terms of the transaction, Unrivaled is retaining a 20% non-economic, non-voting interest in PFC pending approval of the transfer of local and state retail cannabis licenses to Mr. Pandey. Upon transfer of the licenses, Unrivaled’s 20% minority interest will transfer to Haven Nectar, Unrivaled will resign as Manager of PFC and Sabas Carrillo will resign as an officer of PFC.

Effective upon the closing of the transaction, Haven Nectar assumed full operational and management control of the PFC business pursuant to a Management Services Agreement (“MSA”), pending transfer of the cannabis licenses. Pursuant to the MSA, Haven Nectar is responsible for paying all costs and expenses of the business, including taxes, license fees, operational and capital expenses, vendors, and rent due to PFC’s landlord. Haven Nectar is also responsible for funding all such costs and expense to the extent the business generates insufficient revenue to pay such costs and expenses. In exchange, Haven Nectar is entitled to a management fee equal to profits generated from the business, if any.

Unrivaled is assisting in the transition of PFC’s business operations to Haven Nectar for a period of 30 days after the closing pursuant to a Transition Services Agreement (“TSA”) for no additional consideration. Under the terms of the TSA, Unrivaled will provide consulting services with respect to operational management continuity and management support, vendor relations, labor and employment matters, utilities and maintenance, business access, filings and licenses, and marketing and branding, among others. Separately, pursuant to a Trademark License Agreement (“TLA”) between the Company’s subsidiary Blum Management Holdings, Inc., and PFC, Haven Nectar shall have the right to continued use of the *Blüm* name and registered trademarks in connection with PFC’s business on a royalty free basis for up to 18 months, and for a license fee thereafter at PFC’s option.

The foregoing description of the MIPA, TSA, and TLA does not purport to be complete and is qualified in its entirety by reference to the full text of the Agreement, a copy of which is filed as Exhibit 10.1, 10.2, and 10.3, respectively, to this Current Report on Form 8-K and which is incorporated by reference herein in its entirety.

The estimates included in the unaudited pro forma condensed consolidated financial statements for the period ended March 31, 2024 estimates of the total consideration, liabilities extinguished, and gain are based on the Company’s historical balance sheet information as of March 31, 2024 and statement of operations for the three months ended March 31, 2024 and year ended December 31, 2023 and are subject to change based upon, among other things, the actual balance sheet on the closing date of the Disposition and the finalization of the Company’s financial closing procedures and may differ significantly from the actual total consideration, liabilities and net gain on disposal of assets that the Company will recognize. For further information, see Note 1 of unaudited pro forma condensed consolidated financial statements filed as Exhibit 99.1 to this Current Report on Form 8-K.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The information under Item 1.01, above, is incorporated herein by reference.

The unaudited pro forma condensed consolidated financial information of the Company, together with the related notes thereto, giving effect to the consummation of the Disposition of People's First Choice LLC is filed as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information.

The following unaudited pro forma financial information is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference:

- Unaudited pro forma condensed consolidated balance sheet as of March 31, 2024; and
- Unaudited pro forma condensed consolidated statements of operations for the three months ended March 31, 2024 and for the year ended December 31, 2023.

(d) Exhibits.

Exhibit	Description
10.1	Membership Interest Purchase Agreement.
10.2	Transition Services Agreement
10.3	Trademark License Agreement
99.1	Unaudited Pro Forma Condensed Consolidated Financial Statements of Blum Holdings, Inc.
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document).

SIGNATURES

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

BLUM HOLDINGS, INC.

Date: June 14, 2024

By: /s/ Sabas Carrillo
Sabas Carrillo
Chief Executive Officer

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PEOPLE'S FIRST CHOICE, LLC

MEMBERSHIP INTEREST PURCHASE AGREEMENT

Effective as of June 10, 2024

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EXHIBITS

- Exhibit A Management Services Agreement
- Exhibit B Assignment of Membership Interests
- Exhibit C Promissory Note
- Exhibit D Pledge Agreement
- Exhibit E Security Agreement

MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (“**Agreement**”) is made effective as of June 10, 2024 (the “**Effective Date**”), by and among Haven Nectar LLC, a California Limited Liability Company (“**Purchaser**”), and Unrivaled Brands, Inc., a Nevada corporation (“**Unrivaled**”), and People’s California, LLC, a California limited liability company (“**People’s**”), the sole members of People’s First Choice, LLC, a California limited liability company (the “**Company**”). Each of Unrivaled and People’s are sometimes individually referred to as “**Seller**” and together as the “**Sellers**”. Each Seller and Purchaser are sometimes hereinafter referred to individually as a “**Party**” and collectively as the “**Parties**.”

A. Company holds a Regulatory Safety Permit issued by the City of Santa Ana, California (“**RSP**”), to engage in commercial cannabis retail operations (Storefront and Non-Storefront Delivery) at the premises located at 2721 South Grand Avenue, Santa Ana, California 92121 (“**Premises**”);

B. Company holds a California commercial cannabis business license C10-0000212-LIC for cannabis retail and delivery (“**State Licenses**”) issued to it by the California Department of Cannabis Control (“**DCC**”);

C. Sellers currently own One Hundred Percent (100%) of the membership interests in Company (the “**Interests**”);

D. Sellers wish to sell, and Purchaser wishes to purchase, the Interests, on the terms and subject to the conditions set forth herein;

E. The Purchaser and the Company shall enter into that certain Management Services Agreement substantially in the form attached hereto as Exhibit A (the “**MSA**”) simultaneously with the signing of this Agreement; and

F. The Company shall receive a written Consent for Assignment of the Lease for the Premises (the “**Lease Consent**”).

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS AND TERMS

Section 1.01 Definitions. As used in this Agreement, the following terms have the meanings set forth or as referenced below:

“**Action**” means any action, suit, arbitration, hearing, mediation or other proceeding, whether civil or criminal, at law or in equity, before or by any Governmental Authority.

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“**Affiliate**” means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person. Notwithstanding anything to the contrary contained herein, from and after the Closing, the Company shall not be deemed to be an Affiliate of the Seller.

“**Agreement**” has the meaning set forth in the Preamble.

“**Ancillary Agreements**” means the MSA, the Lease Consent, the Note, the Pledge Agreement, the Security Agreement and the Assignments.

“**Assignments**” has the meaning set forth in Section 2.04(a)(ii).

“**Business Day**” means any day other than a Saturday, a Sunday or any day on which banks in San Diego, California are authorized or required by applicable Law to be closed for business.

“**California Courts**” has the meaning set forth in Section 10.06(b).

“**Cap**” has the meaning set forth in Section 9.04(a).

“**Closing**” has the meaning set forth in Section 2.02.

“**Closing Date**” has the meaning set forth in Section 2.02.

“**Code**” means the Internal Revenue Code of 1986.

“**Collective Bargaining Agreement**” means any collective bargaining agreement or other labor contract (including any contract or agreement with any works council, labor or trade union or other employee representative body).

“**Company Material Contract**” has the meaning set forth in Section 4.12(a).

“**Confidential Information**” has the meaning set forth in Section 6.02(b).

“**Contract**” any written note, bond, mortgage, indenture, guarantee, license, franchise, permit, agreement, contract, lease, commitment, legally binding letter of intent or other similar instrument, and any amendments thereto.

“**Control**” means, with respect to any Person, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by Contract or otherwise. The terms “Controlled,” “Controlled by” and “under common Control with” shall have correlative meanings.

“**Deposit**” has the meaning set forth in Section 2.01(c).

“**Direct Claim**” has the meaning set forth in Section 9.06.

“**Effective Date**” has the meaning set forth in the Preamble.

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“**Encumbrance**” means any lien, encumbrance, charge, security interest, mortgage, pledge, indenture, deed of trust, right of way, encroachment, easement, covenant, option, right of first offer or refusal or transfer restriction, or any other similar restrictions or limitations on the ownership or use of real or personal property or similar irregularities in title thereto.

“**Enforceability Exceptions**” has the meaning set forth in Section 3.01(b).

“**Governmental Authority**” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law) or any arbitrator, arbitration panel, court or tribunal.

“**Governmental Order**” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“**Indemnified Party**” means the party making a claim under this Agreement.

“**Intellectual Property**” means any and all intellectual property rights throughout the world, including any and all of the following (a) patents, patent applications and patent disclosures, including any continuations, divisions, continuations-in-part, reexaminations, extensions, renewals, reissues and foreign counterparts of or for any of the foregoing, (b) Trademarks, (c) Internet domain names, and social media usernames, handles and similar identifiers, (d) works of authorship, content, copyrights and copyrightable subject matter, design rights and moral and economic rights therein, (e) rights in software, data and databases, (f) trade secrets and other confidential and proprietary information, including confidential and proprietary customer and supplier lists, pricing and cost information, and business and marketing plans and proposals (collectively, “Trade Secrets”), (g) rights in ideas, know-how, inventions (whether or not patentable or reduced to practice), processes, formulae and methodologies, compositions, technologies, techniques, specifications, protocols, schematics and research and development information, (h) any and all applications, registrations and recordings for the foregoing and (i) all rights in the foregoing (including pursuant to licenses, common-law rights, statutory rights and contractual rights), in each case to the extent protectable under applicable Law.

“**Interests**” has the meaning set forth in Recitals.

“**Knowledge**” means with respect to (a) the Company, the actual knowledge of any manager of the Company, after reasonable inquiry, and (b) Purchaser, the actual knowledge of any manager, officer or director of the Purchaser, after reasonable inquiry.

“**Law**” means any statute, law, ordinance, regulation, rule, code, Governmental Order, constitution, treaty, common law, other requirement or rule of law of any Governmental Authority.

“**Lease Consent**” has the meaning as set forth in Recital F above.

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“**Liabilities**” means any liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

“**Losses**” means any and all actual losses, damages, Liabilities, deficiencies, obligations, claims, costs, interest, awards, judgments, fines, charges, penalties, Taxes, settlement payments and expenses (including reasonable expenses of investigation, enforcement and collection and reasonable attorneys’, actuaries’, accountants’ and other professionals’ fees, disbursements and expenses) of any kind; provided, however, that “Losses” shall not include punitive damages, lost profits, diminution in value, or other special or compensatory damages except to the extent actually awarded to a Governmental Authority or other third party.

“**Material Adverse Effect**” means, (a) with respect to a Person, a material adverse effect on the business, financial condition, assets or Liabilities or results of operations of such Person and its Subsidiaries, taken as a whole; provided, however, that no event, change, circumstance, effect, development, condition or occurrence resulting from, arising out of or relating to any of the following shall constitute or be deemed to contribute to a Material Adverse Effect, or shall otherwise be taken into account in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur (i) changes in applicable Laws or other applicable accounting rules, (ii) changes in general economic, political, business or regulatory conditions, (iii) changes in United States or global financial, credit, commodities, currency or capital markets or conditions, (iv) the outbreak or escalation of war, military action or acts of terrorism or changes due to natural disasters, (v) any action expressly required by this Agreement or (vi) the public announcement, pendency or completion of the transactions contemplated by this Agreement, except, in the case of clauses (i) through (iv) to the extent such event, change, circumstance, effect, development, condition or occurrence has or would reasonably be expected to have a disproportionate impact on such Person and its Subsidiaries as compared to other Persons in such Person’s industry, or, (b) with respect to the Company, a material adverse effect on the ability of the Company or the Sellers to perform their respective obligations under this Agreement or to consummate the transactions contemplated hereby.

“**Operating Agreement**” means that certain Amended and Restated Operating Agreement of the Company made effective as of November 22, 2021, by and between Unrivald and People’s.

“**Outside Date**” has the meaning set forth in Section 8.01(b).

“**Payment Schedule**” means the payment schedule attached hereto as Schedule I.

“**People’s Interest**” means 20 Class B Membership Interest Units in the Company.

“**Permits**” means all licenses, permits, franchises, waivers, orders, registrations, consents and other authorizations and approvals of or by a Governmental Authority.

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“**Permitted Encumbrances**” means (a) Encumbrances for Taxes not yet due and payable and for which appropriate reserves have been established in accordance with the applicable Person’s past accounting practices, consistently applied, (b) mechanics, carriers’, workmen’s, repairmen’s or other like liens arising or incurred in the ordinary course of business consistent with past practice or amounts which are not yet due and payable or the amount and validity of which are being contested in good faith and for which appropriate reserves have been established in accordance with the applicable Person’s past accounting practices, consistently applied, (c) any non-monetary minor imperfection in title or Encumbrances, encroachments or conditions, if any, that, individually or in the aggregate, do not materially interfere with the continued use or operation of any real property or tangible personal property, as currently used or operated and (d) non-exclusive licenses of Intellectual Property granted in the ordinary course of business consistent with past practice.

“**Person**” means an individual, a corporation, a partnership, an association, a limited liability company, a joint venture, a trust or other entity or organization, including a Governmental Authority.

“**Pledge Agreement**” has the meaning set forth in Section 2.04(v).

“**Purchase Price**” has the meaning set forth in Section 2.01.

“**Purchaser Indemnitees**” has the meaning set forth in Section 9.02.

“**Promissory Note**” has the meaning set forth in Section 2.01(d).

“**Representative**” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“**Resignation**” has the meaning set forth in Section 6.04.

“**Sellers**” has the meaning set forth in the Preamble.

“**Sellers’ Indemnitees**” has the meaning set forth in Section 9.03.

“**Survival Period**” has the meaning set forth in Section 9.01.

“**Tax**” or “**Taxes**” means any and all federal, state, county, local, foreign and other taxes, charges, fees, imposts, and governmental levies and assessments including all income, gross receipts, member units, premium, franchise, profits, production, value added, occupancy, gains, personal property replacement, employment and other employee and payroll related taxes, withholding, foreign withholding, social security, welfare, unemployment, disability, real property, personal property, license, ad valorem, transfer, workers’ compensation, windfall and net worth taxes, environmental, customs duty, severances, stamp, excise, occupations, sales, use, transfer, alternative minimum, estimated taxes, inventory, escheat, guaranty fund assessment, and other taxes, duties, fees, levies, customs, tariffs, imposts, obligations, charges and assessments of the same or a similar nature imposed, imposable or collected by any Governmental Authority, together with all interest, penalties and additions imposed with respect to such amounts and any interest in respect of such penalties and additions, whether disputed or not, and any transferee, successor or other liability in respect of any items described above payable by reason of contract, assumption, operation of law, Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under foreign, state or local law) or otherwise.

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“**Tax Authority**” means any Governmental Authority responsible for the administration or the imposition of any Tax.

“**Tax Returns**” means any return, report, declaration, election, estimate, information statement, claim for refund and return or other document (including any related or supporting information and any amendment to any of the foregoing and any sales and use and resale certificates) filed or required to be filed with any Tax Authority with respect to Taxes.

“**Third-Party Claim**” has the meaning set forth in Section 9.05(a).

“**Threshold**” has the meaning set forth in Section 9.04(a).

“**Transaction Expenses**” means (a) all fees, costs and expenses incurred by or on behalf of a Party in connection with the negotiation, documentation and consummation of the transactions contemplated by this Agreement, including all of the fees, disbursements and expenses of attorneys, actuaries, accountants, financial advisors and other advisors, and (b) any severance, change of control, sale, retention or similar bonuses, compensation or payments (together with the employer portion of employment Taxes payable in connection with such amounts) payable to any current or former director, officer, employee or natural independent contractor of the party as a result of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

“**Transfer Taxes**” means any and all transfer Taxes (excluding Taxes measured in whole or in part by net income), including sales, use, excise, value-added, gross receipts, registration, real estate, stamp, documentary, notarial, filing, recording, permit, license, authorization and similar Taxes, fees, duties, levies, customs, tariffs, imposts, assessments, obligations and charges.

“**Unrivaled Closing Interest**” means 60 Class A Membership Interest Units in the Company.

“**Unrivaled Remainder Interest**” means 20 Class A Membership Interest Units in the Company.

Section 1.02 Interpretation.

(a) Whenever the words “include,” “includes” or “including” are used in this Agreement, they will be deemed to be followed by the words “without limitation.” The word “or” need not be disjunctive. Any singular term in this Agreement will be deemed to include the plural, and any plural term the singular. All pronouns and variations of pronouns will be deemed to refer to the feminine, masculine or neuter, singular or plural, as the identity of the Person referred to may require. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(b) Whenever the last day for the exercise of any right or the discharge of any duty under this Agreement falls on a day other than a Business Day, the party having such right or duty shall have until the next Business Day to exercise such right or discharge such duty. Unless otherwise indicated, the word “day” shall be interpreted as a calendar day. With respect to any determination of any period of time, unless otherwise set forth herein, the word “from” means “from and including” and the word “to” means “to but excluding.”

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(c) The table of contents and headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

(d) References to a “party” hereto means Purchaser, the Company or the Sellers, and references to “parties” hereto means Purchaser, the Company and the Sellers, unless the context otherwise requires.

(e) References to “dollars” or “\$” mean United States dollars.

(f) The parties have participated jointly in the negotiation and drafting of this Agreement. Consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

(g) All capitalized terms used without definition in the Exhibits and Schedules to this Agreement shall have the meanings ascribed to such terms in this Agreement.

**ARTICLE II
CLOSING**

Section 2.01 Purchase of Interests

. On the terms and subject to the conditions set forth in this Agreement, at the Closing, (a) People’s shall sell, transfer, convey, assign and deliver to the Purchaser, and the Purchaser shall purchase, acquire and accept from People’s, all of the People’s right, title and interest in and to the People’s Interest, free and clear of all Encumbrances, (b) Unrivaled shall sell, transfer, convey, assign and deliver to the Purchaser, and the Purchaser shall purchase, acquire and accept from Unrivaled, all of Unrivaled’s right, title and interest in and to the Unrivaled Closing Interest, free and clear of all Encumbrances and (c) the Purchaser shall pay to People’s an amount equal to the sum of Nine Million (\$9,000,000.00) (the “**Purchase Price**”), payable to People’s or its designee in accordance with this Section 2.01 and the Funds Flow executed by the Parties:

(a) Seven Million One Hundred Thousand Dollars (\$7,100,000.00) of the Purchase Price shall be deposited by Purchaser into escrow with Wicker Law Group, as the escrow agent, prior to the Closing Date, and shall be released and paid by wire transfer, subject to release as provided in this Agreement, to People’s on the Closing Date;

(b) The balance of the amounts held in the escrow with Wicker Law Group shall be distributed as provided pursuant to the Funds Flow executed by the Parties;

(c) The remaining balance of the Purchase Price that is represented by Nine Hundred Thousand Dollars (\$900,000.00) (the “**Deposit**”) that was deposited into escrow with Wicker Law Group on or about March 14, 2024, is hereby deemed a non-refundable deposit and shall be paid by wire transfer to People’s on or before the Closing Date; and

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(d) The balance of the Purchase Price, in the amount of One Million Dollars (\$1,000,000.00), shall be payable to People's pursuant to a secured promissory note substantially in the form set forth in Exhibit C (the "**Promissory Note**") in equal monthly installments paid by wire or ACH (as requested by People's) from Purchaser to People's of Forty-One Thousand Six Hundred Sixty-Six and 67/100 (\$41,666.67) commencing from the first day of the month following the month in which the Closing occurs.

(e) At such time as the RSP and the State Licenses have been transferred to Purchaser such that Purchaser is a valid holder of the RSP and the State Licenses and Unrivald's ownership of an Interest is no longer required for Purchaser's legal operation of the Company's business, Unrivald shall transfer, convey, assign and deliver to the Purchaser, and the Purchaser shall acquire and accept from Unrivald, for no additional consideration, all of Unrivald's right, title and interest in and to the Unrivald Remainder Interest, free and clear of all Encumbrances.

Section 2.02 Closing. The closing of the transaction contemplated by this Agreement (the "**Closing**") shall take place electronically by mutual exchange of portable document format (.PDF) signatures and electronic delivery of funds, or at such other place, time and date as the Sellers and the Purchaser may mutually agree in writing. The date on which the Closing occurs is referred to herein as the "**Closing Date**." The Closing Date shall be on or before June 10, 2024. The Closing shall be deemed to occur and be effective at 11:59 p.m., local time, in Santa Ana, California, on the Closing Date.

Section 2.03 Uncertificated Interests. Neither the Sellers nor the Company shall be required to provide physical certificates representing the Interests to the Purchaser, and, instead, the Interests shall be recorded as held by the Purchaser in the book and records of the Company upon their transfer in accordance with this Article II.

Section 2.04 Closing Deliverables.

(a) At the Closing, the Company and/or the Sellers, as applicable and as indicated, shall deliver or cause to be delivered to the Purchaser the following:

(i) the Company shall deliver evidence reasonably satisfactory to the Purchaser that the transfer of the Interests has been appropriately entered on the equity transfer books of the Company;

(ii) assignments transferring the Interests, duly executed by the applicable Sellers, substantially in the form set forth in Exhibit B (the "**Assignments**"); *provided, that* the Assignment for the Unrivald Remainder Interest shall be endorsed by Unrivald in blank, to be dated and effective as provided in Section 2.01(d);

(iii) the Lease Consent, duly executed by the applicable parties thereto;

(iv) the MSA, duly executed by the applicable parties thereto;

(v) a Guaranty and Security Agreement substantially in the form set forth in Exhibit D securing the Promissory Note (the "**Pledge Agreement**"), duly executed by People's;

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(vi) a Security Agreement substantially in the form set forth in Exhibit E securing the Promissory Note, duly executed by People's;

(vii) certified resolutions from the governing bodies of each of the Sellers authorizing this Agreement, the Ancillary Agreements to which it is a party, and the transactions contemplated hereby and thereby; and

(viii) without limitation by specific enumeration of the foregoing, all other documents reasonably required by the Purchaser to consummate the transactions contemplated by this Agreement.

(b) At the Closing, the Purchaser shall deliver or cause to be delivered to the Sellers the following:

(i) the MSA, duly executed by the applicable parties thereto;

(ii) the Purchase Price, in accordance with this Section 2 and Schedule I;

(iii) the Lease Consent, duly executed by the applicable parties thereto;

(iv) the Promissory Note duly executed by the Purchaser;

(v) the Pledge Agreement duly executed by the Purchaser;

(vi) the Security Agreement duly executed by the Purchaser;

(vii) certified resolutions from the governing body of Purchaser authorizing this Agreement, the Ancillary Agreements to which it is a party, and the transactions contemplated hereby and thereby; and

(viii) without limitation by specific enumeration of the foregoing, all other documents reasonably required by the Sellers to consummate the transactions contemplated by this Agreement.

**ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE SELLERS**

Section 3.01 Representations and Warranties of Unrivaled. Unrivaled hereby represents and warrants to the Purchaser as follows as of the Effective Date:

(a) Organization and Authority. Unrivaled is a corporation duly organized and validly existing under the laws of the State of Nevada.

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(b) Authority and Enforceability. Unrivaled has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. Unrivaled has taken all requisite corporate or other actions to authorize the execution and delivery of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by Unrivaled and, assuming the due authorization, execution and delivery by each of the other Parties, this Agreement constitutes the valid and binding obligation of Unrivaled enforceable against Unrivaled in accordance with its terms, subject to: applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, preference and other similar laws affecting creditors' rights generally, and by general principles of equity (regardless of whether enforcement is sought in equity or at law) (the "Enforceability Exceptions").

(c) No Violations. Assuming the consents, approvals, authorizations, waivers, notices and filings referred to in Section 4.04 are obtained or made, the execution and delivery of this Agreement and the Ancillary Agreements to which it is a party by Unrivaled, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby do not and will not: (i) conflict with or result in a violation or breach of, or default under any provision of its Articles of Incorporation or Bylaws; (b) conflict with or result in a violation or breach of any provision of Law or Permit applicable to either Seller or any of its Affiliates (other than the Company); (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract to which Unrivaled or any of its Affiliates (other than the Company) is a party or by which Unrivaled, or any of its Affiliates (other than the Company), are bound or to which any of its respective properties and assets are subject; or (d) result in the creation or imposition of any Encumbrance, other than Permitted Encumbrances, on any properties or assets of Unrivaled.

(d) Ownership of Interests. Unrivaled owns 80 Class A Units of the Company, constituting all of the outstanding Class A Units of the Company and all of the Interest owned by Unrivaled, of record and beneficially, free and clear of all Encumbrances (other than restrictions on transfer imposed by federal and state securities Laws and those contained in the Operating Agreement). The Interests are not certificated. Unrivaled represents and warrants to Purchaser that (i) it has not made any agreement to sell, transfer or hypothecate its Interests other than as disclosed herein, and (ii) it has not made any agreement in the name or on behalf of, or regarding, the Company or Interests held by it that has not been disclosed to the Purchaser in writing.

(e) Fees to Brokers and Finders. Unrivaled has no obligation to pay any fee or commission to any investment banker, broker, financial adviser, finder or other similar intermediary in connection with the transactions contemplated by this Agreement except for Unrivaled's portion of the Brokers Fee equal to \$32,982.96 of \$370,000 payable to Green Life Business Group, Inc.

(f) No Other Representations or Warranties. Except for the representations and warranties contained in this Section 3.01, neither Unrivaled nor any other Person has made or makes any express or implied representation or warranty, either written or oral, on behalf of Unrivaled, including any representation or warranty as to the accuracy or completeness of any information regarding Unrivaled furnished or made available to the Purchaser, or any representation or warranty arising from statute or otherwise in law.

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Section 3.02 Representations and Warranties of People's. People's hereby represents and warrants to the Purchaser as of the Effective Date as follows:

(a) Organization and Authority. People's is a limited liability company duly organized and validly existing under the laws of the State of California.

(b) Authority and Enforceability. People's has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. People's has taken all requisite limited liability company or other actions to authorize the execution and delivery of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by People's and, assuming the due authorization, execution and delivery by each of the other Parties, this Agreement constitutes the valid and binding obligation of People's enforceable against People's in accordance with its terms, subject to the Enforceability Exceptions.

(c) No Violations. Assuming the consents, approvals, authorizations, waivers, notices and filings referred to in Section 4.04 are obtained or made, the execution and delivery of this Agreement and the Ancillary Agreements to which it is a party by People's, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby do not and will not: (i) conflict with or result in a violation or breach of, or default under any provision of its organizational documents; (b) conflict with or result in a violation or breach of any provision of Law or Permit applicable to the Sellers or any of their Affiliates (other than the Company); (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract to which People's or any of its Affiliates (other than the Company) is a party or by which People's, or any of its Affiliates (other than the Company), are bound or to which any of its respective properties and assets are subject; or (d) result in the creation or imposition of any Encumbrance, other than Permitted Encumbrances, on any properties or assets of People's.

(d) Ownership of Interests. People's owns 20 Class B Units of the Company, constituting all of the outstanding Class B Units of the Company and all of the Interest owned by People's, of record and beneficially, free and clear of all Encumbrances (other than restrictions on transfer imposed by federal and state securities Laws and those contained in the Operating Agreement). The Interests are not certificated. People's represents and warrants to Purchaser that (i) it has not made any agreement to sell, transfer or hypothecate its Interests other than as disclosed herein, and (ii) it has not made any agreement in the name or on behalf of, or regarding, the Company or Interests held by it that has not been disclosed to the Purchaser in writing.

(e) Fees to Brokers and Finders. People's has no obligation to pay any fee or commission to any investment banker, broker, financial adviser, finder or other similar intermediary in connection with the transactions contemplated by this Agreement except for People's portion of the Brokers Fee equal to \$337,017.04 of \$370,000 payable to Green Life Business Group, Inc.

(f) No Other Representations or Warranties. Except for the representations and warranties contained in this Section 3.02, neither People's nor any other Person has made or makes any express or implied representation or warranty, either written or oral, on behalf of People's, including any representation or warranty as to the accuracy or completeness of any information that People's furnished or made available to the Purchaser, or any representation or warranty arising from statute or otherwise in law.

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY**

Except as set forth in the Disclosure Schedules attached to this Agreement, the Company hereby represents and warrants to the Purchaser as of the Effective Date as follows:

Section 4.01 Organization and Qualification. The Company is a limited liability company, validly existing and in good standing (or the equivalent thereof) under the laws of its jurisdiction of organization. The Company has all requisite power and authority to carry on its business as currently conducted by it and to own and make use of its assets as currently used. The Company is duly qualified to do business and is in good standing (or the equivalent thereof) in each jurisdiction where the ownership or operation of its assets or the operation or conduct of its business as currently conducted requires such qualification, except where the failure to be so qualified or in good standing, individually or in the aggregate, has not had and would not reasonably be expected to have a Material Adverse Effect. The Company has made available to the Purchaser prior to the date hereof correct and complete copies of the organizational documents of the Company in effect as of the date hereof. Each such organizational document is in full force and effect, and the Company is in compliance with its organizational documents.

Section 4.02 Authority and Enforceability.

(a) The Company has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The Company has taken all requisite limited liability company or other actions to authorize the execution and delivery of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery by each of the other parties hereto, this Agreement constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to the Enforceability Exceptions.

Section 4.03 Capital Structure.

(a) The Sellers are the sole owners of all of the Interests, which includes all membership units or other equity interests in the Company that are issued and outstanding. The Interests have been duly authorized, are validly issued and are non-assessable. Except for this Agreement and as contained in the Operating Agreement, there are no preemptive or other outstanding rights, options, warrants, subscriptions, puts, calls, conversion rights or agreements or commitments of any character relating to the Interests, and the Company is not committed to issue any of the foregoing. The Interests have not been issued in violation of any applicable Laws or the organizational documents of the Company. The Company does not have any debt securities outstanding that have voting rights or are exercisable or convertible into, or exchangeable or redeemable for, or that give any Person a right to subscribe for or acquire, member units or other equity interests of the Company. There are no obligations, contingent or otherwise, to repurchase, redeem or otherwise acquire any membership units or other equity interests of the Company. There are no membership units or other equity or voting interests of the Company reserved for issuance. There are no voting trusts, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the equity interests of the Company.

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(b) The Company does not own, directly or indirectly, any membership units or other equity or voting interest of any Person. The Company has no direct or indirect equity or ownership interest in any business nor is it a member of or participant in any partnership, joint venture or other entity. There are no outstanding contractual obligations of the Company to provide funds to make any investment (in the form of a loan, capital contribution or otherwise) in any other entity. There are no irrevocable proxies, voting trusts or other agreements to which the Company is a party with respect to the Interests, or other equity or voting interests in, the Company. There are no restrictions that prevent or restrict the payment of distributions by the Company other than those imposed by applicable Law or contained in the Operating Agreement.

Section 4.04 Governmental Filings and Consents. No consents, approvals, authorizations or waivers of, or notices or filings with, any Governmental Authority are required to be made or obtained by the Company in connection with the execution and delivery of this Agreement and the Ancillary Agreements by the Company, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby, except for consents, approvals, authorizations, waivers, notices and filings as related to the transfer of ownership of the RSP and State Licenses issued by the City of Santa Ana and DCC, respectively. Company agrees to add Purchaser as a co-owner at Purchaser's expense.

Section 4.05 No Violations. The execution and delivery of this Agreement and the Ancillary Agreements to which it is a party by the Company, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby do not and will not (a) conflict with or result in a violation or breach of, or default under, any provision of the organizational documents of the Company, (b) conflict with or result in a violation or breach of any provision of any Law or Permit applicable to the Company, (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Company Material Contract or (d) result in the creation or imposition of any Encumbrance, other than Permitted Encumbrances, on any properties or assets of the Company or the Interests.

Section 4.06 Compliance with Laws; Permits. The Company is in compliance in all material respects with all applicable Laws. The Company has not received any written notice from any Governmental Authority that it is or is alleged to be in material violation of any applicable Law. The Company has obtained and maintained all Permits required by any Governmental Authority for the Company's operation and general course of business.

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Section 4.07 Litigation; Governmental Orders.

(a) There is no Action or claim pending or, to the Knowledge of the Company, threatened, or, to the Knowledge of the Company, governmental investigation threatened or pending by, against or involving the Company or any of its respective properties or assets.

(b) The Company is not subject to any Governmental Order that restricts the operation of the business of the Company.

Section 4.08 Taxes. Except as set forth in Section 4.08 of the Disclosure Schedules:

(a) (i) All income, premium and other material Tax Returns required to be filed by or on behalf of the Company have been timely filed (taking into account any extensions of time within which to file), (ii) all such Tax Returns are true, correct and complete in all material respects and (iii) all income, premium and other material Taxes (whether or not shown as due on such Tax Returns) have been fully and timely paid or are subject to payment plans pursuant to which such Taxes are being paid.

(b) The Company has complied with all applicable Tax Laws with respect to the withholding of Taxes (including reporting and recordkeeping requirements related thereto) and has duly and timely withheld and paid over to the appropriate Tax Authority all material amounts required to be so withheld and paid over.

(c) The Company does not have any liability for Taxes of any Person (other than the Company) (i) under any Tax indemnity, Tax sharing or Tax allocation agreement or any other contractual obligation (excluding for this purpose, agreements entered into in the ordinary course of business the primary purpose of which is not related to Taxes, such as leases, licenses or credit agreements), (ii) arising from the application of Treasury Regulation Section 1.1502-6 or any analogous provision of state, local or non-U.S. Law, or (iii) as a transferee or successor.

(d) No income, premium or other material Taxes with respect to the Company are under audit or examination by any Tax Authority, and there are no audits, claims, assessments, levies, administrative or judicial proceedings pending, threatened, proposed (tentatively or definitely) or contemplated against, or regarding, any income, premium or other material Taxes of the Company, and no Tax Authority has proposed, assessed or asserted in writing any material deficiency with respect to Taxes against the Company with respect to any Tax period for which the period of assessment or collection remains open.

(e) No written waiver of or agreement to extend any statute of limitations relating to Taxes for which the Company is liable and that remains in effect has been granted or requested.

(f) Taking into account any valid extensions of due dates, payment plans and other agreements with state and local Tax Authorities, the Company is current in the payment of all state and local Taxes of the Company as of the Effective Date and will be current in such payments as of the Closing.

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Section 4.09 Employee Benefits. The Company maintains the employee benefit plans as described in Section 4.09 of the Disclosure Schedules.

Section 4.10 Employee Matters. As of the date hereof, the Company has approximately 70 employees. The Company is involved in collective bargaining negotiations and subject to a National Labor Relations Board charge as described in Section 4.10 of the Disclosure Schedules.

Section 4.11 Intellectual Property.

(a) Section 4.11(a) of the Disclosure Schedules lists all material Intellectual Property owned or used by the Company in the operation of its business.

(b) To the Knowledge of the Company, the conduct of its business as currently conducted does not infringe, misappropriate or otherwise violate any Intellectual Property rights of any third party.

(c) The consummation of the transactions contemplated hereby or by any of the Ancillary Agreements will not alter or impair any rights of the Company to use any Intellectual Property material to the operation of its business except as set forth on Section 4.11(c) of the Disclosure Schedules.

Section 4.12 Material Contracts.

(a) Except as set forth in Section 4.12 of the Disclosure Schedules, the Company is not a party to any material contracts (a “**Company Material Contract**”).

Section 4.13 Title to Assets; Sufficiency of Assets. The Company owns, and has good and valid title to, all assets purported to be owned by it.

Section 4.14 Real Property. The Company does not own any real property or interests in real property, except as set forth in the Lease.

Section 4.15 Fees to Brokers and Finders. The Company does not have any obligation to pay any fee or commission to any investment banker, broker, financial adviser, finder or other similar intermediary in connection with the transactions contemplated by this Agreement.

Section 4.16 Bank Accounts. The Company has the banks accounts listed on Section 4.16 of the Disclosure Schedules.

Section 4.17 FCPA. The Company (including any of its respective officers, directors, agents, employees or other Person acting on their behalf) has not, directly or indirectly, taken any action which would cause it to be in violation of the Foreign Corrupt Practices Act of 1977, as amended, or any rules or regulations thereunder, used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, made, offered or authorized any unlawful payment to foreign or domestic government officials or employees, whether directly or indirectly, or made, offered or authorized any bribe, rebate, payoff, influence payment, kickback or other similar unlawful payment, whether directly or indirectly.

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Section 4.18 No Other Representations or Warranties. Except for the representations and warranties contained in this Article IV, none of the Sellers, the Company nor any other Person has made or makes any express or implied representation or warranty, either written or oral, on behalf of the Sellers or the Company, including any representation or warranty as to the accuracy or completeness of any information regarding the Sellers or the Company furnished or made available to the Purchaser or as to the future revenue, profitability or success of the Business, or any representation or warranty arising from statute or otherwise in law.

**ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser hereby represents and warrants to the Sellers and the Company as of the Effective Date as follows:

Section 5.01 Organization and Qualification. The Purchaser is a limited liability company, duly formed, validly existing and in good standing under the laws of California.

Section 5.02 Authority and Enforceability.

(a) The Purchaser has all requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The Purchaser has taken all requisite corporate or other actions to authorize the execution and delivery of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Purchaser and, assuming the due authorization, execution and delivery by each of the other parties hereto, this Agreement constitutes the valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to the Enforceability Exceptions.

(b) The Purchaser and its Affiliates have all requisite power and authority to execute and deliver the Ancillary Agreements to which it will be a party, to perform its obligations thereunder and to consummate the transactions contemplated thereby. The Purchaser has, and its Affiliates have, taken all requisite corporate or other actions to authorize the execution and delivery of the Ancillary Agreements to which it will be a party, the performance of its obligations thereunder and the consummation of the transactions contemplated thereby. Each Ancillary Agreement, if and when executed by the Purchaser or its Affiliates upon the terms and subject to the conditions set forth therein and in this Agreement, will be duly executed and delivered by the Purchaser or its Affiliates, and, assuming the due authorization, execution and delivery by each of the other parties thereto, each such Ancillary Agreement will constitute the valid and binding obligation of the Purchaser or its Affiliates, as applicable, enforceable against the Purchaser or its Affiliates in accordance with its terms, subject to the Enforceability Exceptions.

Section 5.03 Governmental Filings and Consents. No consents, authorizations, approvals, or waivers of, or notices or filings with, any Governmental Authority are required to be made or obtained by the Purchaser in connection with the execution and delivery of this Agreement and the Ancillary Agreements, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby, except for consents, approvals, authorizations, waivers, notices and filings set forth in Section 4.04 of this Agreement.

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Section 5.04 No Violations. Assuming the consents, approvals, authorizations, waivers, notices and filings referred to in Section 5.03, if any, are obtained or made, the execution and delivery of this Agreement and the Ancillary Agreements by Purchaser the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby do not and will not (a) conflict with or result in a violation or breach of, or default under, any provision of the Purchaser' organizational documents, or (b) conflict with or result in a violation or breach of any provision of any Law or Permit applicable to the Purchaser.

Section 5.05 Litigation; Governmental Orders. There is no Action or claim pending or, to the Knowledge of the Purchaser, threatened, or, to the Knowledge of the Purchaser, governmental investigation threatened or pending by, against or involving the Purchaser, that would prevent Purchaser from consummating the transactions contemplated hereby, or to otherwise perform its obligations under this Agreement or any Ancillary Agreement to which the Purchaser is or will be a party, in any material respect.

Section 5.06 Fees to Brokers and Finders. The Purchaser does not have any obligation to pay any fee or commission to any investment banker, broker, financial adviser, finder or other similar intermediary in connection with the transactions contemplated by this Agreement.

Section 5.07 Sufficiency of Funds. The Purchaser has sufficient funds readily available to it without restriction to pay the Purchase Price in accordance with the terms of this Agreement and the Promissory Note.

Section 5.08 No Other Representations or Warranties. Except for the representations and warranties contained in this Article V, none of the Purchaser nor any other Person has made or makes any express or implied representation or warranty, either written or oral, on behalf of the Purchaser, including any representation or warranty as to the accuracy or completeness of any information regarding the Purchaser furnished or made available to the Sellers or the Company, or any representation or warranty arising from statute or otherwise in law.

**ARTICLE VI
COVENANTS**

Section 6.01 Conduct of Business. During the period from the date of this Agreement through the earlier of the Closing or the termination of this Agreement in accordance with its terms, except as otherwise expressly required or permitted by, and in accordance with, this Agreement (including, without limitation, distribution of cash and cash equivalents as provided in Section 7.02(d)), as required by applicable Law, or with the prior written consent of the Purchaser, the Company shall (x) conduct its business in the ordinary course of business consistent with past practice, (y) use reasonable best efforts to maintain and preserve intact its business organizations and operations and (z) not:

- (a) purchase, redeem or repurchase any part of the Interests;

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(b) issue, sell, pledge, transfer, dispose of or encumber any of its membership units or other equity interests or securities exercisable or convertible into, or exchangeable or redeemable for, any such member units or other equity interests, or any rights, warrants, options, calls or commitments to acquire any such member units or other equity interests, or merge with or into or consolidate with, or agree to merge with or into or consolidate with, any other Person;

(c) split, combine, subdivide or reclassify any of its membership units or other equity interests;

(d) (i) incur any indebtedness for borrowed money or issue any debt securities, (ii) make any loans, advances or capital contributions to, or investments in, any other Person (other than any transactions solely between or among the Company) or (iii) waive any material claims or rights of, or cancel any debts to, any of the Company;

(e) amend (by merger, consolidation or otherwise) its organizational documents;

(f) voluntarily adopt a plan of complete or partial liquidation or rehabilitation or authorize or undertake a dissolution, rehabilitation, consolidation, restructuring, recapitalization or other reorganization;

(g) make any filings with any Governmental Authority relating to (i) the withdrawal or surrender of any license or Permit held by the Company or (ii) the withdrawal by the Company from any lines or kinds of business;

(h) (i) make, revoke or amend any Tax election, (ii) enter into any closing agreement, settlement or compromise of any Tax Liability or refund, (iii) extend or waive the application of any statute of limitations regarding the assessment or collection of any Tax, (iv) file any request for rulings or special Tax incentives with any Tax Authority, (v) surrender any right to claim a Tax refund, offset or other reduction in Tax Liability, or (vi) adopt or change any method of Tax accounting;

(i) except as set forth in Section 6.01(i) of the Disclosure Schedules, (i) modify, extend, or enter into any Collective Bargaining Agreement or (ii) recognize or certify any labor or trade union, works council, employee representative body, labor organization, or group of employees of the Company as the bargaining representative for any employees of the Company or any of its Subsidiaries;

(j) terminate, cancel or materially modify or amend any insurance coverage maintained by the Company with respect to any material assets without replacing such coverage with a comparable amount of insurance coverage;

(k) (i) acquire any corporation, partnership, joint venture, association or other business organization or division thereof, or substantially all of the assets of any of the foregoing or (ii) enter into any new lines of business or introduce any new material products or services; or

(l) enter into any Contract with respect to any of the foregoing.

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Section 6.02 Access to Information; Confidentiality.

(a) During the period from the date of this Agreement through the earlier of the Closing or the termination of this Agreement in accordance with its terms, the Company shall (i) afford the Purchaser and its Representatives full and free access to and the right to inspect all of the properties, assets, premises, books and records, Contracts and other documents and data related to the Company, (ii) furnish the Purchaser and its Representatives with such financial, operating, Tax, litigation and other data and information related to the Company as the Purchaser or any of its Representatives may reasonably request that is in the possession or control of the Company. In exercising its rights hereunder, the Purchaser shall conduct itself so as not to unreasonably interfere in the conduct of the Company's businesses.

(b) From and after the Closing, without the prior written consent of the Purchaser, the Sellers shall not, directly or indirectly, disclose (and will direct its respective Representatives not to disclose) any Confidential Information. Prior to the Closing, without the prior written consent of the Sellers, the Purchaser shall not, directly or indirectly, disclose (and will direct its representatives not to disclose) any Confidential Information. The term "**Confidential Information**" means any non-public information of the Company in spoken, printed, electronic or any other form or medium, including, but not limited to, non-public business processes, practices, methods, policies, plans, publications, documents, research, operations, services, strategies, techniques, agreements, contracts, transactions, potential transactions, know-how, trade secrets, databases, manuals, records, supplier information, financial information, accounting information, legal information, marketing information, pricing information, payroll information, personnel information, customer information, customer lists and supplier lists. Confidential Information shall not include any information that (a) is available in the public domain (other than as a result of disclosure in violation of this Agreement); (b) is lawfully acquired by a Party or any of its Affiliates or their respective Representatives from sources which are not prohibited from disclosing such information by a legal, contractual, or fiduciary obligation. If a Party or its Affiliates or their respective Representatives are compelled to disclose any information by judicial or administrative process or by other requirements of applicable Law, such shall promptly notify the other Parties in writing and shall disclose only that portion of such information which such Person is advised by its counsel in writing is legally required to be disclosed; provided that such Person shall use reasonable best efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

(c) Except as and to the extent required by applicable Law or as otherwise set forth herein, neither the Purchaser, nor the Sellers will make (and each will direct its representatives not to make, directly or indirectly) any public comment, statement or communication with respect to, or otherwise to disclose or to permit the disclosure of the existence of this Agreement or the transaction between or among the Parties or any of the terms, conditions or other aspects of the transaction set forth in this Agreement. If a Party is required by applicable Law to make any such disclosure, it must first provide to the other Parties the content of the proposed disclosure, the reasons that such disclosure is required by applicable Law and the time and place that the disclosure will be made.

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Section 6.03 Reasonable Best Efforts; Regulatory Matters.

(a) Upon the terms and subject to the conditions set forth in this Agreement, the Purchaser, the Company and the Sellers, as applicable, shall use their respective commercially reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement, including (i) all Parties using commercially reasonable best efforts to (A) prepare and make all necessary, proper or advisable notices and filings with any Governmental Authority, and (B) obtain all necessary, proper or advisable consents, approvals, authorizations or waivers of any Governmental Authority, including remaining on as an owner until the DCC approves the requisite ownership transfer; and (ii) the Purchaser, the Company and People's (to the exclusion of Unrivaled) shall remove Bernard Steimann and/or People's from all Company corporate filings, including those with the California Secretary of State, responsible party tax filings and from all licenses and permits whether state or local. All such actions under this Section 6.03, shall be at the sole expense of the Purchaser.

(b) The Purchaser and the Company shall reasonably consult with each other with respect to the making of all notices and filings with, and obtaining all consents, approvals, authorizations or waivers of, any Governmental Authority necessary, proper or advisable to consummate the transactions contemplated by this Agreement and each party shall keep the other apprised on a prompt basis of the status of such matters relating to such notices, filings, consents, approvals, authorizations and waivers. The Purchaser and the Company shall have the right to review in advance and shall be provided with a reasonable opportunity to comment on, and to the extent practicable each will consult the other on, in each case, subject to applicable Law, any material notice or filing with, or written materials submitted to, any Governmental Authority in connection with the transactions contemplated by this Agreement, and each Party shall in good faith consider comments of the other Parties thereon. The Party responsible for any such action shall promptly deliver to the other Parties evidence of the making of all notices, filings and submissions relating thereto, and any supplement, amendment or item of additional information in connection therewith. Notwithstanding the foregoing, in no event shall a Party be required to disclose to any other party any of its Trade Secrets.

(c) The Purchaser and the Company shall promptly advise each other upon receiving any communication from any Governmental Authority whose consent, approval, authorization or waiver is necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including promptly furnishing each other copies of any written or electronic communication. Each Party shall, to the extent reasonably practicable and permitted by applicable Law or Governmental Authority, (i) in advance, notify the other Parties, of any meeting any Governmental Authority in connection with the transactions contemplated by this Agreement, and reasonably consult with the other Parties in scheduling any of these meetings and (ii) give the other Parties a reasonable opportunity to participate in such meeting.

Section 6.04 Resignation. (a) the Company shall cause any position held by the Sellers or their Representatives with the Company to resign such position or positions, effective no later than three (3) Business Days after the date the Department of Cannabis Control approves the requisite ownership transfer, and (b) Sellers hereby agrees to deliver any such resignations to such effect (the "**Resignation**").

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Section 6.05 Public Disclosure. Prior to the Closing, the Parties shall agree on the form and content of any initial press release that may be issued jointly or separately by a Party, and, except with the prior written consent of the Sellers and the Purchaser (which consent shall not be unreasonably withheld, delayed or conditioned), shall not issue nor shall any Affiliate of such party issue any other press release or other public statement or public communication with respect to this Agreement or the transactions contemplated hereby; provided that each of the Sellers, the Company and the Purchaser may, without the prior written consent of such other Parties, make such public statement or issue such public communication (a) as may be required by applicable Law and, if practicable under the circumstances, after reasonable prior consultation with such other parties, (b) that consists solely of information contained in prior announcements made by any or all of the Purchaser, the Company, the Sellers, or any of their or his respective Representatives or (c) to enforce its rights or remedies under this Agreement.

Section 6.06 Transfer Taxes. Notwithstanding anything to the contrary contained herein, the Purchaser shall be responsible for the timely payment of all Transfer Taxes, if any, arising out of or in connection with the transactions contemplated by this Agreement. Purchaser shall, and the Sellers shall cooperate to, prepare and timely file all necessary documentation and Tax Returns required to be filed with respect to such Transfer Taxes and shall promptly provide the Sellers with copies of any such documentation and Tax Returns.

Section 6.07 Release. Effective as of the Closing Date, Purchaser hereby releases Sellers as to any claims that Purchaser or the Company may have against Sellers and each of their Representatives and Affiliates, arising from the Sellers having been members or managers of the Company prior to the Closing Date, provided, that, nothing contained in this Section 6.07 shall affect the rights, liabilities or obligations of any (a) Party under this Agreement and the Ancillary Agreements, (b) violation of Law by either Seller, or (c) claims that cannot be released under applicable Laws.

Section 6.08 Further Assurances. From and after the Closing, the Purchaser, the Company and the Sellers shall, and shall cause their and his respective Affiliates to, execute and deliver such additional documents, instruments, conveyances, notices and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement. From and after the Closing, upon receipt by the Company or Purchaser of any payment with respect to any accounts receivable of the Company attributable to any period prior to the Closing, the Purchaser shall, after Purchaser's receipt thereof, promptly remit such amounts to the Sellers by remitting such amounts to the account designated by the Sellers via wire or other mutually agreed upon method of payment. In the event that the Sellers become aware that the Company or Purchaser may receive, or has received, any such payment attributable to a period prior to the Closing, any Seller shall promptly notify the Purchaser in writing thereof.

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Section 6.09 Notice of Developments. From time to time during the period from the date of this Agreement through the earlier of the Closing or the termination of this Agreement in accordance with its terms, if any Party becomes aware of any event, fact or condition or nonoccurrence of any event, fact or condition that constitutes a breach of any representation, warranty, covenant or agreement of such Party, or would constitute a breach of any representation or warranty of such Party if such representation or warranty were made on the date of the occurrence or discovery of such event, fact or condition or on the Closing Date, then such Party will promptly provide the other Parties hereto with a written description of such event, fact or condition.

**ARTICLE VII
CONDITIONS TO CLOSING**

Section 7.01 Conditions to the Obligations of the Purchaser. The obligation of the Purchaser to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or waiver by the Purchaser) as of the Closing of the following conditions:

(a) Representations and Warranties Regarding the Sellers. The representations and warranties of the Sellers set forth in Article III shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent they refer to another date, in which case they shall be true and correct as though made on and as of such other date as may be qualified below).

(b) Representations and Warranties Regarding the Company. The representations and warranties of the Company set forth in Article IV shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent they refer to another date, in which case they shall be true and correct as though made on and as of such other date as may be qualified below).

(c) Covenants of the Sellers. The covenants and agreements of the Sellers set forth in this Agreement to be performed or complied with at or prior to the Closing shall have been duly performed or complied with in all material respects.

(d) Covenants of the Company. The covenants and agreements of the Company set forth in this Agreement to be performed or complied with at or prior to the Closing shall have been duly performed or complied with in all material respects.

(e) No Material Adverse Effect. Except as may result from this Agreement or the Management Services Agreement, from the date of this Agreement, no Material Adverse Effect has occurred, and there shall be no event, change, circumstance, effect, development, condition or occurrence that, individually or in the aggregate, with or without the lapse of time, would reasonably be expected to have a Material Adverse Effect.

(f) No Injunction or Prohibition. No Governmental Authority of competent jurisdiction shall have enacted, enforced or entered any Law or issued a Governmental Order that is in effect on the Closing Date and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

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(g) Closing Deliverables. The Purchaser shall have received (or waived receipt of) those deliverables described in Section 2.04(a).

Section 7.02 Conditions to the Obligations of the Sellers. The obligations of the Sellers to consummate the transactions contemplated by this Agreement subject to the satisfaction (or waiver by Unrivaled) as of the Closing of the following conditions:

(a) Representations and Warranties. The representations and warranties set forth in Article V shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent they refer to another date, in which case they shall be true and correct as though made on and as of such other date as may be qualified below).

(b) Covenants. The covenants and agreements of the Purchaser set forth in this Agreement to be performed or complied with at or prior to the Closing shall have been duly performed or complied with in all material respects.

(c) No Injunction or Prohibition. No Governmental Authority of competent jurisdiction shall have enacted, enforced or entered any Law or issued a Governmental Order that is in effect on the Closing Date and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(d) Cash and Cash Equivalents. The Company shall have distributed all of its cash and cash equivalents.

(e) Closing Deliverables. The Sellers shall have received (or waived receipt of) those deliverables described in Section 2.04(b).

**ARTICLE VIII
TERMINATION**

Section 8.01 Termination. This Agreement may be terminated, and the transactions contemplated hereby abandoned, at any time prior to the Closing as follows:

(a) by mutual written consent of the Purchaser and the Sellers;

(b) by the Purchaser, if the Closing has not occurred on or before May 31, 2024 (as such date may be extended pursuant to this Agreement, the **Outside Date**) unless the absence of the occurrence of the Closing shall be due to the failure of the Purchaser (or any of their Affiliates) to materially perform its obligations under this Agreement required to be performed by them on or prior to the Closing Date;

(c) by the Sellers or the Company, if the Closing has not occurred on or before the Outside Date unless the absence of the occurrence of the Closing shall be due to the failure of the Sellers or the Company (or any of their Affiliates) to materially perform their obligations under this Agreement required to be performed by them on or prior to the Closing Date.

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(d) by the Purchaser or the Sellers if (i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable;

(e) by the Purchaser if (i) it is not in material breach of any of its obligations hereunder and (ii) a Seller or the Company is in material breach of any of their respective representations, warranties or obligations hereunder that renders or would render the conditions set forth in Section 7.01(a), Section 7.01(b), Section 7.01(c), or Section 7.01(d) incapable of being satisfied on the Outside Date, and such breach is either (A) not capable of being cured prior to the Outside Date or (B) if curable, is not cured within the earlier of (x) five (5) Business Days after the giving of written notice by the Purchaser to the Sellers and (y) two (2) Business Days prior to the Outside Date; or

(f) by the Sellers if (i) the Sellers and Company are not in material breach of any of their obligations hereunder and (ii) any Purchaser is in material breach of any of its representations, warranties or obligations hereunder that renders or would render the conditions set forth in Section 7.02(a) or Section 7.02(b) incapable of being satisfied on the Outside Date, and such breach is either (A) not capable of being cured prior to the Outside Date or (B) if curable, is not cured within the earlier of (x) five (5) Business Days after the giving of written notice by the Sellers to the Purchaser and (y) two (2) Business Days prior to the Outside Date.

Section 8.02 Procedure Upon Termination. In the event of termination and abandonment by the Sellers or the Purchaser, or both, pursuant to Sections 7.01 or 7.02, written notice thereof shall forthwith be given to the other Parties, and this Agreement shall terminate, without further action by any of the Parties, other than as described at Section 8.01.

Section 8.03 Effect of Termination. If this Agreement is terminated in accordance with Section 8.01, this Agreement shall thereafter become void and have no effect, and no party shall have any Liability to any other party, its Affiliates or any of their respective directors, officers, employees, equity holders, partners, members, agents or representatives in connection with this Agreement, except that, (a) the obligations of the Parties contained in Section 6.02, this Section 8.03 and 10.10 shall survive and (b) termination will not relieve any party from Liability for any intentional and material breach of this Agreement or fraud prior to such termination. In the event of a termination under Sections 8.01(a), (c) or (f) of this Agreement, the Deposit shall be immediately released to People's and be considered "liquidated damages." The Parties acknowledge that People's actual damages in the event of a termination under Sections 8.01(a), (c) or (f) of this Agreement will be difficult to ascertain, that such liquidated damages represent the Parties best estimate of such damages, and that the Parties believe such liquidated damages are a reasonable estimate of such damages. The Parties expressly acknowledge that the foregoing liquidated damages are intended not as a penalty, but as full liquidated damages, in the event of a termination under Sections 8.01(a), (c) or (f) of this Agreement and as compensation for taking the Company off the market during the term of the Parties' negotiations regarding the sale of the Company. Sellers and the Company hereby waive and release any right to sue Purchaser, and hereby covenant not to sue Purchaser for specific performance of this Agreement or to prove that People's actual damages exceed the Deposit which would be provided to People's as full liquidated damages.

**ARTICLE IX
INDEMNIFICATION**

Section 9.01 Survival. The representations and warranties set forth in Article III, Article IV and Article V shall survive the Closing and shall remain in full and force and effect until the date that is twelve (12) months from the Closing Date (the “**Survival Period**”). All other covenants and agreements of the Parties set forth in this Agreement shall survive the Closing in accordance with their terms, and, in any event, shall not survive the applicable statutes of limitations. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from a non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

Section 9.02 Indemnification by the Sellers. Subject to the other terms and conditions of this Agreement from and after the Closing, the Sellers as specifically indicated below shall indemnify and defend each of the Purchaser and its Affiliates (including the Company) and their respective Representatives (collectively, the “**Purchaser Indemnitees**”) and shall hold each of them harmless from and against, any and all Losses incurred or sustained by, or imposed upon, the Purchaser Indemnitees based upon, arising out of, with respect to or by reason of, as follows:

- (a) Unrivaled with respect to any inaccuracy in or breach of any of the representations or warranties set forth in Section 3.01 and Article IV;
- (b) Unrivaled with respect to any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Unrivaled or by the Company pursuant to this Agreement;
- (c) People’s with respect to any inaccuracy in or breach of any of the representations or warranties set forth in Section 3.02; and
- (d) People’s with respect to any breach or non-fulfillment of any covenant, agreement or obligation to be performed by People’s pursuant to this Agreement.

Section 9.03 Indemnification by the Purchaser. Subject to the other terms and conditions of this Agreement, from and after the Closing, the Purchaser shall indemnify and defend the Sellers and their Affiliates and Representatives (collectively, the “**Sellers’ Indemnitees**”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Sellers’ Indemnitees, based upon, arising out of, with respect to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties set forth in Article V, as of the date of this Agreement

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- (b) the operations and liabilities of the Company following the Closing, except any other matter indemnifiable by the Sellers pursuant to Section 9.02;
- (c) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Purchaser pursuant to this Agreement; or
- (d) any breach or non-fulfillment of Purchaser's obligations under Section 6.03(a)(iii) of this Agreement.

Section 9.04 Limitations: Effect of Investigation. The indemnification provided for in Section 9.02 and Section 9.03 shall be subject to the following limitations:

(a) The Sellers shall not be liable to the Purchaser Indemnitees for indemnification under Section 9.02(a) and (c), respectively, until the aggregate amount of all Losses in respect of indemnification under Section 9.02(a) and (c) of this Agreement exceeds \$45,000.00 (the "**Threshold**"), in which event the named Seller shall be required to pay or be liable for all such Losses from the first dollar.

(b) The aggregate amount of all Losses for which the named Seller shall be liable pursuant to Section 9.02(a) and (c) of this Agreement shall not exceed \$900,000 (the "**Cap**").

(c) Nothing in this Agreement shall limit Purchaser from exercising the right of set-off against the Promissory Note to satisfy the indemnification obligations of People's hereunder.

Section 9.05 Third-Party Claims.

(a) If any Indemnified Party receives written notice of the assertion or commencement of any Action made or brought by any Person who is not a Party or an Affiliate of a Party or a Representative of the foregoing (a "**Third-Party Claim**") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) days after the Indemnified Party becomes actually aware of such Third-Party Claim. The failure to give such reasonably prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits material rights or defenses by reason of such failure.

(b) The Indemnifying Party shall have the right to participate in, or, by giving written notice to the Indemnified Party, to assume the defense of, any Third-Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense; provided that if the Indemnifying Party is a Seller, such Indemnifying Party shall not have the right to defend or direct the defense of any such Third-Party Claim (i) that seeks an injunction or other equitable relief against the Indemnified Party or (ii) that alleges a violation of any applicable Law. In the event that the Indemnifying Party assumes the defense of any Third-Party Claim, subject to Section 9.05(d), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third-Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third-Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party; provided that, if in the reasonable opinion of counsel to the Indemnified Party, (A) there are legal defenses available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party, or (B) there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required.

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(c) If the Indemnifying Party elects not to defend such Third-Party Claim, the Indemnified Party may, subject to Section 9.05(d), pay, compromise, and defend such Third-Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third-Party Claim.

(d) Notwithstanding anything to the contrary contained herein, the Indemnifying Party shall not settle any Third-Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed), except as provided in this Section 9.05. If a firm offer is made to settle a Third-Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third-Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten (10) Business Days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third-Party Claim, at its own expense, and in such event, the maximum liability of the Indemnifying Party as to such Third-Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume the defense of such Third-Party Claim, the Indemnifying Party may settle the Third-Party Claim upon the terms set forth in such firm offer to settle such Third-Party Claim. If the Indemnified Party has assumed the defense pursuant to Section 9.05(c), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

Section 9.06 Direct Claims. Any Action by an Indemnified Party on account of a Loss that does not result from a Third-Party Claim (a **“Direct Claim”**) shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) days after the Indemnified Party becomes actually aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits material rights or defenses by reason of such failure. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. Subject to confidentiality limitations and attorney-client privilege, the Indemnified Party shall allow the Indemnifying Party and its Representatives to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall reasonably assist the Indemnifying Party’s investigation by giving such information and assistance as the Indemnifying Party or any of its professional advisors may reasonably request (subject to confidentiality limitations and attorney-client privilege). If the Indemnifying Party does not so respond within such thirty (30) day period, then the Indemnifying Party shall be deemed to have accepted such claim, in which case the Indemnified Party shall be entitled to the remedies set forth in Section 9.09 and shall otherwise be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

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Section 9.07 Payment. Subject to the Threshold and the Cap, once a Loss is agreed to or deemed accepted by the Indemnifying Party or adjudicated to be payable pursuant to this Agreement, if the Indemnified Party is (a) a Sellers' Indemnitee, the Purchaser shall deposit, or cause to be deposited, with such Sellers' Indemnitee, the amount of such Loss by wire transfer of immediately available funds to an account or accounts designated by the Sellers in writing, and (b) a Purchaser Indemnitee, the Sellers shall deposit, or cause to be deposited with the Purchaser, by wire transfer of immediately available funds to an account or accounts designated by the Purchaser, an aggregate amount equal to the amount of the Loss. The Parties agree that should an Indemnifying Party not make full payment of any such obligations within thirty (30) Business Days of such agreement or adjudication, as applicable, any amount payable shall accrue interest from the date of agreement of the Indemnifying Party or adjudication to the date such payment has been made at a rate equal to six percent (6.0%) per annum.

Section 9.08 Tax Treatment of Indemnification Payments. The Parties agree that all indemnification payments made under this Agreement shall be treated by the Parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

Section 9.09 Exclusive Remedy. The indemnification provisions of this Article IX shall be the sole and exclusive remedy of the Purchaser following the Closing for any and all breaches or alleged breaches of any representations, warranties, covenants or agreements of the parties, or any other provision of this Agreement. Notwithstanding the foregoing, nothing in this Article IX, or otherwise in this Agreement or in any of the Ancillary Agreements, shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled pursuant to Section 10.07 or to seek any remedy on account of any Party's fraud or intentional misrepresentation.

ARTICLE X

MISCELLANEOUS

Section 10.01 Entire Agreement. This Agreement, the Exhibits and Schedules attached hereto, the Ancillary Agreements and the other documents, instruments, certificates and Contracts required to be delivered at Closing constitute the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

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Section 10.02 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (a) the same day when delivered personally by hand (with written confirmation of receipt by other than automatic means, whether electronic or otherwise), (b) the same day when sent by email on a Business Day prior to 5:00 pm Pacific Time, otherwise on the next Business Day, or (c) one (1) Business Day following the day sent by a nationally recognized overnight courier (with written confirmation of receipt), in each case, at the following addresses and email addresses (or to such other address or email address as a party may have specified by notice given to the other parties pursuant to this provision):

to the Company (before Closing):

c/o Sabas Carrillo
3242 Halladay Street
Santa Ana, California 92705
sabas@blumholdings.com

to Unrivaled:

c/o Sabas Carrillo
3242 Halladay Street
Santa Ana, California 92705
sabas@blumholdings.com

With a copy, which shall not constitute notice, to:

Ryan Clark, VP
Douglas Wilson Companies
Via E-Mail: rbaker@douglaswilson.com

Buchalter
18400 Von Karman Avenue
Suite 800
Irvine, CA 92612
Attn: Roger L. Scott

to People's:

c/o Jay Yadon
22 Executive Park, Suite 250
Irvine, CA 92614
jjadon@peoplescali.com

With a copy to:

Deron Colby, Esq.
Via email: dcolby@januscapitallaw.com

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to Purchaser:

Haven Nectar LLC

Attention: Shubham Pandey, Manager
2633 Mckinney Avenue
Suite 180-791
Dallas, TX 75204
shubham@usaeducationfund.com

With a copy, which shall not constitute notice, to:

Ken Sobel, Esq.
2511 Via Viesta
La Jolla, CA 92037
Kennysocal711@gmail.com

Section 10.03 Amendment; Modification and Waiver. Any provision of this Agreement may be amended, modified or waived if, and only if, such amendment, modification or waiver is in writing and signed, in the case of an amendment or modification, by the Purchaser and the Sellers, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 10.04 Successors and Assigns. Neither this Agreement nor any of the rights, interests or obligations under it may be directly or indirectly assigned, delegated, sublicensed or transferred by any of the parties, in whole or in part, to any other Person (including any bankruptcy trustee) by operation of law or otherwise, whether voluntarily or involuntarily, without the prior written consent of the other parties, provided that Purchaser may freely assign this Agreement to any of its Affiliates and to any acquirer or successor of Purchaser, whether direct, indirect or by operation of law, without the Sellers' consent. Any attempted or purported assignment in violation of this Section 10.04 will be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by each of the parties and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns (including, with respect to any trust, any additional or successor trustees of any such trust).

Section 10.05 No Third-Party Beneficiaries. Except as specifically set forth herein, nothing expressed or implied in this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities upon any Person other than the parties and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 10.06 Governing Law; Jurisdiction.

(a) This Agreement, and all claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arising out of or relating to this Agreement or the negotiation, execution and delivery or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement) shall be governed by and construed in accordance with the Laws of the State of California, without regard to its applicable principles of conflicts of laws that might require the application of the laws of another jurisdiction.

Execution Version

(b) Each of the parties hereby irrevocably and unconditionally (i) submits, for itself and its property, to the exclusive jurisdiction and venue of the federal or state court sitting in the State of California (“**California Courts**”), and any appellate court from any decision thereof, in any Action that may be based upon, arising out of or relating to this Agreement or the negotiation, execution and delivery or performance of this Agreement and agrees that all claims in respect of any such Action shall be heard and determined in the California Courts, (ii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any Action that may be based upon, arising out of or relating to this Agreement or the negotiation, execution and delivery or performance of this Agreement in the California Courts, including any objection based on its place of incorporation or domicile, (iii) waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of such Action in any such court, and (iv) agrees that a final judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law. Each of the parties consents and agrees that service of process, summons, notice or document for any action permitted hereunder may be delivered by registered mail addressed to it at the applicable address set forth in Section 10.02 or in any other manner permitted by applicable Law. Any action or proceeding involving the terms and/or conditions of this Agreement shall be brought exclusively in the County of Orange, State of California.

Section 10.07 Specific Performance. The Parties agree that irreparable damage would occur and that the Parties would not have any adequate remedy at law in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached or threatened to be breached and that money damages or other legal remedies would not be an adequate remedy for any such failure to perform or breach. It is accordingly agreed that, without posting bond or other undertaking, the Parties shall be entitled to seek injunctive or other equitable relief to prevent breaches or threatened breaches of this Agreement and to seek to enforce specifically the terms and provisions of this Agreement in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. In the event that any such action is brought in equity to enforce the provisions of this Agreement, no Party will allege, and each Party hereby waives the defense or counterclaim, that there is an adequate remedy at law. The Parties further agree that (a) by seeking any remedy provided for in this Section 10.07, a Party shall not in any respect waive its right to seek any other form of relief that may be available to such Party under this Agreement, and (b) nothing contained in this Section 10.07 shall require any Party to institute any action for (or limit such Party’s right to institute any action for) specific performance under this Section 10.07 before exercising any other right under this Agreement.

Section 10.08 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to constitute an original, but all of which shall constitute one and the same Agreement and may be executed and delivered by facsimile or other electronic means intended to preserve the original graphic or pictorial appearance of a document.

Section 10.09 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is found by a court or other Governmental Authority of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

Execution Version

Section 10.10 Transaction Expenses. Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated by this Agreement are consummated, all direct and indirect costs and Transaction Expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by the Party incurring such expenses.

[SIGNATURE PAGE FOLLOWS]

Execution Version

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

The PURCHASER:

Haven Nectar, LLC

By: _____
Name: Shubham Pandey
Title: Chief Executive Officer

The COMPANY:

People's First Choice, LLC

By: _____
Name: Sabas Carrillo
Title: Chief Executive Officer

The SELLERS:

Unrivaled Brands, Inc.

By: _____
Name: Sabas Carrillo
Title: Chief Executive Officer

People's California, LLC

By: _____
Name: Bernard Steimann
Title: Authorized Signatory

Exhibit A
Management Services Agreement

[See attached

A-1

]Exhibit B

Form of Assignment of Membership Interests

[See Attached]

B-1

**ASSIGNMENT OF MEMBERSHIP INTERESTS IN
PEOPLE'S FIRST CHOICE, LLC**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto Haven Nectar LLC [100%] of the equity interest of the undersigned's right, title, and interest in and to PEOPLE'S FIRST CHOICE, LLC, a California limited liability company (the "**Company**"), including, without limitation, the undersigned's ownership and/or units in the Company and does hereby constitute and appoint the manager of the Company as its true and lawful attorney, irrevocable for it and in its name and stead and at the undersigned's own cost and charge, to take all lawful ways and means for the recovery and enjoyment thereof, and for that purpose to make and execute all necessary acts of assignment hereby ratifying and confirming all that its said attorney or its substitutes, shall lawfully do by virtue hereof. This assignment shall be effective as of the date set forth below.

Dated: _____, 2024

SELLERS:

Unrivaled Brands, Inc.

By: _____
Sabas Carrillo, CEO

People's California, LLC

By: _____
Bernard Steinmann, Authorized Signatory

BUYER:

Haven Nectar LLC

Shubham Pandey, CEO

Exhibit C
Secured Promissory Note

[See attached]

C-1

Exhibit D
Pledge Agreement

[See attached]

Exhibit E
Security Agreement

[See attached]

E-1

***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT BLUM HOLDINGS, INC. TREATS AS PRIVATE OR CONFIDENTIAL.

TRANSITION SERVICES AGREEMENT

between

UNRIVALED BRANDS, INC.

and

HAVEN NECTAR LLC

dated as of

June 10, 2024

TRANSITION SERVICES AGREEMENT

This Transition Services Agreement, dated as of June 10, 2024 (this "**Agreement**"), is entered into between Unrivaled Brands, Inc., a California corporation ("**Seller**"), and Haven Nectar LLC, a California limited liability company ("**Buyer**").

Recitals

WHEREAS, Buyer and Seller have entered into that certain Membership Interest Purchase Agreement (the "**Purchase Agreement**"), dated effective as of June 10, 2024, by and among Buyer, Seller, and People's California, LLC, pursuant to which Seller has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, all the outstanding membership interests of People's First Choice, LLC (the "**Company**"), all as more fully described therein;

WHEREAS, in order to ensure an orderly transition of the business of the Company to Buyer and as a condition to consummating the transactions contemplated by the Purchase Agreement, Buyer and Seller have agreed to enter into this Agreement, pursuant to which Seller will provide, or cause its Affiliates to provide, Buyer with certain services, in each case on a transitional basis and subject to the terms and conditions set forth herein; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Purchase Agreement.

NOW, THEREFORE, in consideration of the mutual agreements and covenants hereinafter set forth, Buyer and Seller hereby agree as follows:

ARTICLE I SERVICES

Section 1.01 Provision of Services.

(a) Seller agrees to provide, or to cause its Affiliates to provide, the services (the "**Services**") set forth on the exhibits attached hereto (as such exhibits may be amended or supplemented pursuant to the terms of this Agreement, collectively, the "**Service Exhibits**") to Buyer for the respective periods and on the other terms and conditions set forth in this Agreement and in the respective Service Exhibits.

(b) Notwithstanding the contents of the Service Exhibits, Seller agrees to respond in good faith to any reasonable request by Buyer for access to any additional services that are necessary for the operation of the business of the Company and which are not currently contemplated in the Service Exhibits, at a price to be agreed upon after good faith negotiations between the parties. Any such additional services so provided by Seller shall constitute Services under this Agreement and be subject in all respect to the provisions of this Agreement as if fully set forth on a Service Exhibit as of the date hereof.

(c) The parties hereto acknowledge the transitional nature of the Services. Accordingly, as promptly as practicable following the execution of this Agreement, Buyer agrees to use commercially reasonable efforts to make a transition of each Service to its own internal organization or to obtain alternate third-party sources to provide the Services.

(d) Subject to Section 2.03, Section 2.04 and Section 3.05, the obligations of Seller under this Agreement to provide Services shall terminate with respect to each Service on the end date specified in the applicable Service Exhibit (the "**End Date**"). Notwithstanding the foregoing, the parties acknowledge and agree that Buyer may determine from time to time that it does not require all the Services set out on one or more of the Service Exhibits or that it does not require such Services for the entire period up to the applicable End Date. Accordingly, Buyer may terminate any Service, in whole and not in part, upon notification to Seller in writing of any such determination.

Section 1.02 Standard of Service.

(a) Seller represents, warrants and agrees that the Services shall be provided in good faith, in accordance with Law and, except as specifically provided in the Service Exhibits, in a manner generally consistent with the historical provision of the Services and with the same standard of care as historically provided.

(b) Except as expressly set forth in Section 1.02(a) or in any contract entered into hereunder, Seller makes no representations and warranties of any kind, implied or express, with respect to the Services, including, without limitation, no warranties of merchantability or fitness for a particular purpose, which are specifically disclaimed. Buyer acknowledges and agrees that this Agreement does not create a fiduciary relationship, partnership, joint venture, or relationships of trust or agency between the parties and that all Services are provided by Seller as an independent contractor.

Section 1.03 Access to Premises. In order to enable the provision of the Services by Seller, Buyer agrees that it shall provide to Seller's and its Affiliates' employees and any third-party service providers or subcontractors who provide Services, at no cost to Seller, access to the facilities, assets, and books and records of the Company, in all cases to the extent necessary for Seller to fulfill its obligations under this Agreement.

**ARTICLE II
COMPENSATION**

Section 2.01 Responsibility for Wages and Fees. Upon the closing of the transactions contemplated by the Purchase Agreement (the "**Closing**"), employees employed by the Seller or its Affiliates at the request of Buyer to provide services on behalf of the Company shall be terminated and Buyer shall hire and on-board such employees at its discretion. Buyer shall reimburse Seller within 5 business days for any payroll, PTO, or other related expenses paid or incurred by Seller or its Affiliates with respect to such employees for the period of time between the Closing and respective employee termination dates by Seller or its Affiliates. Accordingly, Buyer shall be solely responsible for the payment and provision of all wages, bonuses and commissions, PTO, employee benefits, including severance and worker's compensation, and the withholding and payment of applicable Taxes relating to such employment from and after the Closing. Notwithstanding anything to the contrary herein, Seller shall not charge Buyer for any charges or payments hereunder for the services provided directly by Seller during the first thirty (30) days hereunder (the "**Initial Seller's Fee**"). For the avoidance of doubt, the Initial Seller's Fee shall not include any and all charges, payments or other amounts incurred hereunder for services provided by any third-party service providers ("**Third-Party Fees**"). To the extent that a Third-Party is required or requested by Buyer to provide the service, Seller shall notify Buyer in writing of same and Seller shall provide contact information for a third-party service provider capable of providing such service. Buyer shall have the right to contact any such third-party service provider and specifically negotiate, approve or reject such service and related Third-Party Fees directly with such third-party service provider. If approved, Buyer shall be responsible for the applicable Third-Party Fees.

Section 2.02 Terms of Payment and Related Matters.

(a) As consideration for provision of the Services, Buyer shall pay Seller on the 1st of each month the amount specified for each Service on such Service's respective Service Exhibit. In addition to such amount, in the event that Seller or any of its Affiliates incurs reasonable and documented out-of-pocket expenses in the provision of any Service, including, without limitation, license fees and payments to third-party service providers or subcontractors, but excluding payments made to employees of Seller or any of its Affiliates pursuant to Section 2.01 (such included expenses, collectively, "**Out-of-Pocket Costs**"), Buyer shall reimburse Seller for all such Out-of-Pocket Costs in accordance with the invoicing procedures set forth in Section 6.01.

(b) It is the intent of the parties that the compensation set forth in the respective Service Exhibits reasonably approximate the cost of providing the Services, including the cost of employee wages and compensation, without any intent to cause Seller to receive profit or incur loss. If at any time Seller believes that the payments contemplated by a specific Service Exhibit are materially insufficient to compensate it for the cost of providing the Services it is obligated to provide hereunder, or Buyer believes that the payments contemplated by a specific Service Exhibit materially overcompensate Seller for such Services, such party shall notify the other party as soon as possible, and the parties hereto will commence good faith negotiations toward an agreement in writing as to the appropriate course of action with respect to pricing of such Services for future periods.

Section 2.03 Extension of Services. The parties agree that Seller shall not be obligated to perform any Service after the applicable End Date. If Buyer desires and Seller agrees to continue to perform any of the Services after the applicable End Date, the parties shall negotiate in good faith to determine an amount that compensates Seller for all of its costs for such performance, including the time of its employees and its Out-of-Pocket Costs. The Services so performed by Seller after the applicable End Date shall continue to constitute Services under this Agreement and be subject in all respects to the provisions of this Agreement for the duration of the agreed-upon extension period.

Section 2.04 Terminated Services. Upon termination or expiration of any or all Services pursuant to this Agreement, or upon the termination of this Agreement in its entirety, Seller shall have no further obligation to provide the applicable terminated Services, and Buyer will have no obligation to pay any future compensation or Out-of-Pocket Costs relating to such Services, other than for or in respect of Services already provided in accordance with the terms of this Agreement and received by Buyer prior to such termination.

Section 2.05 Taxes. Buyer shall be responsible for all sales or use Taxes imposed or assessed as a result of the provision of Services by Seller.

ARTICLE III TERMINATION

Section 3.01 Termination of Agreement. Subject to Section 3.04, this Agreement shall terminate in its entirety (i) on the date upon which Seller shall have no continuing obligation to perform any Services as a result of each of their expiration or termination in accordance with Section 1.01(d) or Section 3.02 or (ii) in accordance with Section 3.03.

Section 3.02 Breach. Any party (the "**Non-Breaching Party**") may terminate this Agreement with respect to any Service, in whole but not in part, at any time upon prior written notice to the other party (the "**Breaching Party**") if the Breaching Party has failed (other than pursuant to Section 3.05) to perform any of its material obligations under this Agreement relating to such Service, and such failure shall have continued without cure for a period of fifteen (15) days after receipt by the Breaching Party of a written notice of such failure from the Non-Breaching party seeking to terminate such service. For the avoidance of doubt, non-payment by Buyer for a Service provided by Seller in accordance with this Agreement shall be deemed a breach for purposes of this Section 3.02.

Section 3.03 Insolvency. In the event that either party hereto shall (i) file a petition in bankruptcy, (ii) become or be declared insolvent, or become the subject of any proceedings (not dismissed within sixty (60) days) related to its liquidation, insolvency or the appointment of a receiver, (iii) make an assignment on behalf of all or substantially all of its creditors, or (iv) take any corporate action for its winding up or dissolution, then the other party shall have the right to terminate this Agreement by providing written notice in accordance with Section 6.01.

Section 3.04 Effect of Termination. Upon termination of this Agreement in its entirety pursuant to Section 3.01, all obligations of the parties hereto shall terminate, except for the provisions of Section 2.04, ARTICLE IV, ARTICLE V, and ARTICLE VI, which shall survive any termination or expiration of this Agreement.

Section 3.05 Force Majeure. The obligations of Seller under this Agreement with respect to any Service shall be suspended during the period and to the extent that Seller is prevented or hindered from providing such Service, or Buyer is prevented or hindered from receiving such Service, due to any of the following causes beyond such party's reasonable control (such causes, "**Force Majeure Events**"): (i) acts of God, (ii) flood, fire or explosion, (iii) war, invasion, riot or other civil unrest, (iv) Governmental Order or Law, (v) actions, embargoes or blockades in effect on or after the date of this Agreement, (vi) action by any Governmental Authority, (vii) national or regional emergency, (viii) strikes, labor stoppages or slowdowns or other industrial disturbances, (ix) shortage of adequate power or transportation facilities, or (x) any other event which is beyond the reasonable control of such party. The party suffering a Force Majeure Event shall give notice of suspension as soon as reasonably practicable to the other party stating the date and extent of such suspension and the cause thereof, and Seller shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. Neither Buyer nor Seller shall be liable for the nonperformance or delay in performance of its respective obligations under this Agreement when such failure is due to a Force Majeure Event. The applicable End Date for any Service so suspended shall be automatically extended for a period of time equal to the time lost by reason of the suspension.

**ARTICLE IV
CONFIDENTIALITY**

Section 4.01 Confidentiality.

(a) During the term of this Agreement and thereafter, the parties hereto shall, and shall instruct their respective Representatives to, maintain in confidence and not disclose the other party's financial, technical, sales, marketing, development, personnel, and other information, records, or data, including, without limitation, customer lists, supplier lists, trade secrets, designs, product formulations, product specifications, or any other proprietary or confidential information, however recorded or preserved, whether written or oral (any such information, "**Confidential Information**"). Each party hereto shall use the same degree of care, but no less than reasonable care, to protect the other party's Confidential Information as it uses to protect its own Confidential Information of like nature. Unless otherwise authorized in any other agreement between the parties, any party receiving any Confidential Information of the other party (the "**Receiving Party**") may use Confidential Information only for the purposes of fulfilling its obligations under this Agreement (the "**Permitted Purpose**"). Any Receiving Party may disclose such Confidential Information only to its Representatives who have a need to know such information for the Permitted Purpose and who have been advised of the terms of this Section 4.01 and the Receiving Party shall be liable for any breach of these confidentiality provisions by such Persons. Any Receiving Party may disclose such Confidential Information to the extent such Confidential Information is required to be disclosed by a Governmental Order, in which case the Receiving Party shall promptly notify, to the extent possible, the disclosing party (the "**Disclosing Party**"), and take reasonable steps to assist in contesting such Governmental Order or in protecting the Disclosing Party's rights prior to disclosure, and in which case the Receiving Party shall only disclose such Confidential Information that it is advised by its counsel in writing that it is legally bound to disclose under such Governmental Order.

(b) Notwithstanding the foregoing, "Confidential Information" shall not include any information that the Receiving Party can demonstrate: (i) was publicly known at the time of disclosure to it, or has become publicly known through no act of the Receiving Party or its Representatives in breach of this Section 4.01; (ii) was rightfully received from a third party without a duty of confidentiality; or (iii) was developed by it independently without any reliance on the Confidential Information.

(c) Upon demand by the Disclosing Party at any time, or upon expiration or termination of this Agreement with respect to any Service, the Receiving Party agrees promptly to return or destroy, at the Disclosing Party's option, all Confidential Information. If such Confidential Information is destroyed, an authorized officer of the Receiving Party shall certify to such destruction in writing.

**ARTICLE V
LIMITATION ON LIABILITY**

Section 5.01 Limitation on Liability. In no event shall Seller have any liability under any provision of this Agreement for any punitive, incidental, consequential, special, or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple, whether based on statute, contract, tort, or otherwise, and whether or not arising from the other party's sole, joint, or concurrent negligence, strict liability, criminal liability, or other fault. Buyer acknowledges that the Services to be provided to it hereunder are subject to, and that its remedies under this Agreement are limited by, the applicable provisions of Section 1.02, including the limitations on representations and warranties with respect to the Services.

**ARTICLE VI
MISCELLANEOUS**

Section 6.01 Notices. All Invoices, notices, requests, consents, claims, demands, waivers, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 6.01):

(a) if to Seller:

[***]

(b) if to Buyer:

[***]

With a copy, which shall not constitute notice to:

[***]

Section 6.02 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 6.03 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 6.04 Entire Agreement. This Agreement, including all Service Exhibits, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event and to the extent that there is a conflict between the provisions of this Agreement and the provisions of the Purchase Agreement as it relates to the Services hereunder, the provisions of this Agreement shall control.

Section 6.05 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 6.06 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever, under or by reason of this Agreement.

Section 6.07 Amendment and Modification; Waiver. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

Section 6.08 Governing Law; Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of California. Any legal suit, action, or proceeding arising out of or based upon this agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the state of California, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. Service of process, summons, notice, or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action, or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

Section 6.09 Waiver of Jury Trial. Each party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this agreement or the transactions contemplated hereby. Each party to this agreement certifies and acknowledges that (a) no representative of any other party has represented, expressly or otherwise, that such other party would not seek to enforce the foregoing waiver in the event of a legal action, (b) such party has considered the implications of this waiver, (c) such party makes this waiver voluntarily, and (d) such party has been induced to enter into this agreement by, among other things, the mutual waivers and certifications in this Section 6.09.

Section 6.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

BUYER:

Haven Nectar, LLC

By: _____
Name: Shubham Pandey
Title: Manager

SELLER:

Unrivaled Brands, Inc.

By: _____
Name: Sabas Carrillo
Title: CEO

EXHIBIT 1

SERVICES

1. Operation Management Continuity and Management Support. Buyer intends and shall be exclusively responsible for the operation and management of all Company matters including but not limited to: finance, operations, labor & employment, compliance, marketing and advertising, Ecommerce Operations, banking, payment processing, information technology, security, and tax filings. Seller shall make itself reasonably available for a period of 30 days for assistance and guidance by answering Buyer inquiries on a reasonable timeline related to operations and management, facilitating the transition of third-party service providers, and providing contact information to interested third parties as necessary and appropriate.
 2. Inventory Management. Buyer intends and shall be exclusively responsible for the purchasing and management of all inventory related matters, from original wholesale purchase through retail disposition, including inventory tracking and other logistics systems.
 3. Vendor Relations. Buyer intends and shall be exclusively responsible for the maintenance of vendor relationships. Seller shall make itself available for assistance and guidance for maintaining all vendor relationships related to the Company, including the transition of Buyer's share of Partnership Marketing Placement (PMP) contracts and vendor, distributor, and brand introductions and shall provide appropriate contact information as appropriate and/or reasonably requested.
 4. Labor and Employment. Buyer intends and shall be exclusively responsible for:
 - i. hiring and terminating Company employees and maintaining required employment records. For the avoidance of doubt, Seller has in good faith onboarded 2 employees selected by Buyer prior to closing at Buyer's request to assist in transition efforts.
 - ii. engaging the United Food & Commercial Workers International Union ("UFCW") in ongoing collective bargaining negotiations. Seller shall provide information and correspondence related to matters involving the UFCW. Seller shall also provide appropriate introductions and/or contact information to related key constituencies.
 - iii. selecting and hiring and/or promoting a general manager as Buyer sees fit in its sole and exclusive discretion.
 5. Payroll and Benefits Services. The Buyer intends and shall be exclusively responsible for payroll, employee benefits, worker's compensation insurance and other related matters for all Company employees. Seller shall make itself reasonably available for a period of 30 days for assistance and guidance by answering Buyer inquiries on a reasonable timeline related to salaries and benefits, facilitating the transition of third-party service providers and payroll to Buyer control, and providing contact information to interested third parties as necessary and appropriate.
 6. Marketing and Branding. Buyer intends and shall be exclusively responsible for creating and maintaining marketing and branding systems in connection with the Company. Seller shall make itself reasonably available for a period of 30 days for guidance by answering Buyer inquiries on a reasonable timeline related to marketing and branding matters and providing contact information to interested third parties as necessary and appropriate. Continued use of intellectual property shall be subject to separate intellectual licensing agreements between relevant parties.
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7. Utilities and Maintenance: Seller shall make itself reasonably available for a period of 30 days for assistance and guidance by answering Buyer inquiries on a reasonable timeline related to utilities and maintenance services as necessary and appropriate.
8. Professional Services. Buyer intends and shall be exclusively responsible for hiring outside counsel, accountants, and securing any additional outside professional services as may be needed from time to time.
9. Banking. Buyer, in collaboration with Seller as necessary or as required by applicable law or the pertinent banks or other financial institutions, shall be responsible for obtaining and maintaining banking relationships in connection with the Company. Seller shall make itself reasonably available for a period of 30 days for assistance and guidance by answering Buyer inquiries on a reasonable timeline related to banking and financial services, providing contact information to interested third parties including banking service providers as necessary and appropriate, and facilitating transition of bank accounts as necessary and appropriate.
10. Filings and Licenses. Buyer, in collaboration with the Seller as necessary or as required by applicable law or the pertinent regulators and pursuant to the Membership Interest Purchase Agreement to which Buyer and Seller are parties, shall be responsible for all of the regulatory and other filings that are required or otherwise necessary in connection with the Company and the relevant license(s). Seller shall make itself reasonably available for a period of 30 days for assistance and guidance by answering Buyer inquiries on a reasonable timeline related to licensing and providing contact information to interested third parties including regulators as necessary and appropriate.
11. Taxes. Buyer intends and shall be responsible for the filing and management of any and all taxes and negotiation of related tax payment plans imposed on the Company in connection with Buyer's ownership of the Company, including but not limited to, FICA taxes, worker's compensation insurance premiums, unemployment, city, state and federal income taxes (including without limitation taxes imposed with respect to Internal Revenue Code 280(e)), and any such withholding payments required under state or federal law, as well as vacation pay, paid sick leave, retirement benefits, and employee benefits of any kind whatsoever for all personnel that are employees of Company.
12. Business Access: The Buyer intends and shall be exclusively responsible for the security and management of business access. In all respects, the Buyer shall be responsible for providing adequate security and Business access control (including key cards and/or badges). Seller shall make itself reasonably available for a period of 30 days for assistance and guidance by answering Buyer inquiries on a reasonable timeline related to security and business access and providing contact information to interested third parties including security company contacts.

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT BLUM HOLDINGS, INC. TREATS AS PRIVATE OR CONFIDENTIAL.

Trademark License Agreement

This Trademark License Agreement ("**Agreement**"), dated as of June 10, 2024 (the "**Effective Date**"), is by and between Blum Management Holdings, Inc., a Delaware corporation ("**Licensor**") and People's First Choice LLC, a California limited liability company ("**Licensee**").

WHEREAS, Licensor has rights to the Licensed Mark (as defined below) and authority to license the Licensed Mark; and

WHEREAS, Licensee wishes to use the Licensed Mark in connection with the operation of a retail cannabis dispensary located at 2721 S. Grand Ave., Santa Ana, CA 92705 (the "**Licensed Use**") and Licensor is willing to grant to Licensee a license to use the Licensed Mark on the terms and conditions set out in this Agreement.

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

1. License Grant.

1.1 Subject to this Agreement's terms and conditions, Licensor hereby grants to Licensee during the Term a non-exclusive, non-transferable, non-sublicenseable license to use the Licensed Mark on or in connection with the Licensed Use. Licensed Use will include use of the Licensed Mark on storefront, point of purchase signage, employee uniforms, and on exit bags. Any other reasonable use associated therewith shall be approved by a Licensor representative, such approval not to be unreasonably withheld.

"**Licensed Mark**" means the trademarks and service marks set forth on Schedule 1 whether registered or unregistered, including the listed registrations and applications and any registrations which may be granted pursuant to such applications.

1.2 Reservation of Rights. Licensor hereby reserves all rights not expressly granted to Licensee under this Agreement. Without limiting the foregoing, all rights granted to Licensee under this Agreement are subject to Licensor's reserved right to use the Licensed Mark in connection with the Licensed Use.

2. Ownership and Registration.

2.1 Acknowledgement of Ownership. Licensee acknowledges that (a) Licensor is the owner of the Licensed Mark throughout the world and all goodwill related thereto, and (b) all use of the Licensed Mark under this Agreement and any goodwill accruing from such use will inure solely to Licensor's benefit. If Licensee acquires any rights in the Licensed Mark, by operation of law or otherwise, Licensee hereby irrevocably assigns such rights to Licensor without further action by any of the parties.

2.2 Licensee Restrictions. Licensee agrees that it shall not, during the Term or thereafter, directly or indirectly:

(a) dispute or challenge, or assist any Person in disputing or challenging, Licensor's rights in and to the Licensed Mark or the Licensed Mark's validity or do anything inconsistent with the ownership of the Licensed Mark by Licensor;

(b) take, omit to take, or permit any action which will or may dilute the Licensed Mark or tarnish or bring into disrepute the reputation of or goodwill associated with the Licensed Mark or Licensor, or which will or may invalidate or jeopardize any registration of the Licensed Mark; or

(c) apply for, or obtain, or assist any Person in applying for or obtaining any registration of the Licensed Mark, or any trademark, service mark, trade name, or other indicia confusingly similar to the Licensed Mark.

2.3 No Encumbrances. Licensee shall not grant or attempt to grant a security interest in, or otherwise encumber, the Licensed Mark or record any such security interest or encumbrance against any application or registration regarding the mark in the United States Patent and Trademark Office or elsewhere.

3. Quality Control.

3.1 Acknowledgement. Licensee acknowledges and is familiar with the high standards, quality, style, and image of Licensor, and Licensee at all times shall conduct its business and use the Licensed Mark in a manner consistent with these standards, quality, style, and image.

3.2 Licensee will allow representatives of Licensor access to Licensee retail facilities during normal business hours and upon commercially reasonable advance notice given to Licensee from time to time to allow Licensor to inspect the quality and nature of the use of the Licensed Mark and the premises in which the Licensed Mark is used to confirm that the Licensed Mark is used in a manner consistent with Licensor's quality standards and reputation. Such monitoring shall in no way lessen or limit Licensee's obligations to use the Licensor Marks only as set forth herein.

3.3 Licensee agrees to comply with written instructions issued by Licensor from time to time regarding the use of the Licensor Marks, except as specifically provided herein. Failure to comply with Licensor's reasonable written instructions referenced herein or that are not otherwise permitted by this Agreement shall be deemed a material breach of this Agreement. To the extent that the additional written instructions would result in a material capital expenditure or material operational disruption for Licensee, such additional written instructions shall be agreed upon by both Licensor and Licensee, acting in good faith, prior to taking effect.

3.4 In the event Licensee chooses to materially change its marketing, promotion, sale or display materials, including logos, pictures and descriptions that reference, refer to or incorporate Licensor Marks, Licensee shall provide Licensor with no less than ten (10) business days' notice of any such changes and shall provide the proposed changes to Licensor at Licensee's expense.

3.5 Licensee will comply with all applicable laws and regulations and obtain all appropriate government approvals pertaining to use of the Licensor Marks.

4. Enforcement.

4.1 Notification. Licensee shall immediately notify Licensor in writing with reasonable detail of any: (a) actual, suspected, or threatened infringement of the Licensed Mark, claim that the Licensed Mark is invalid, or opposition to the Licensed Mark; (b) actual, suspected, or threatened claim that use of the Licensed Mark infringes the rights of any third party; (c) person applying for, or granted, a registered trademark by reason of which that person may be, or has been, granted rights which conflict with any of the rights granted to Licensee under this Agreement; or (d) other actual, suspected or threatened claim to which the Licensed Mark may be subject.

4.2 Actions. With respect to any of the matters listed in this section: (a) Licensor has exclusive control over, and conduct of, all claims and proceedings; (b) Licensee shall provide Licensor with all assistance that Licensor may reasonably require in the conduct of any claims or proceedings; and (c) Licensor shall bear the cost of any proceedings and will be entitled to retain all sums recovered in any action for its own account.

5. License Fees.

5.1 Lump Sum Payment After Eighteen Months. If Licensee wishes to continue this Licensing Agreement beyond eighteen (18) months after the Effective Date, Licensee shall pay to Licensor the sum of \$150,000.

5.2 Monthly License Fee After Eighteen Months. If Licensee wishes to continue this Licensing Agreement beyond eighteen (18) months after the Effective Date, Licensee shall pay The greater of (i) \$140,000 and (ii) 6% of monthly Gross Revenue shall be paid to Licensor monthly on the 15th of each month based on the preceding month's Gross Revenue. Gross Revenue shall be defined as all revenue of the Licensee less discounts and refunds.

5.3 Late Payments. In the event payments Licensor does not receive payments due under this Agreement by the due date, Licensee shall pay to Licensor interest on the overdue payment from the date such payment was due to the date of actual payment at a rate of 1.5% per month, or if lower, the maximum amount permitted under Law.

5.4 Fee Statements. At the same time as payment of Monthly Fees are submitted, Licensee shall submit or cause to be submitted to Licensor a statement in writing, certified to be true and correct by Licensee's Chief Financial Officer or similarly situated authorized representative, that includes all information relevant to the calculation of the Monthly License Fee, including:

- (a) Gross Revenue calculations for the applicable month; and
- (b) any other details Licensor may reasonably require.

5.5 Records and Audit. Licensee shall keep complete and accurate books and records showing the Gross Revenue of the Licensee and be available during normal business hours for inspection and audit by Licensor (or its authorized representative), who may take copies of or extracts from the same.

6. Confidentiality. Each party (the "**Receiving Party**") acknowledges that in connection with this Agreement it will gain access to information that is treated as confidential by the other party (the "**Disclosing Party**"), including information about its business operations and strategies, goods and services, customers, pricing, marketing, and other sensitive and proprietary information (collectively, the "**Confidential Information**"). Confidential Information does not include information that, at the time of disclosure: (a) is or becomes generally available to and known by the public other than as a result of, directly or indirectly, any breach of this section by the Receiving Party; (b) is or becomes available to the Receiving Party on a non-confidential basis from another Person, provided that such Person is not and was not prohibited from disclosing such Confidential Information; (c) was known by or in the possession of the Receiving Party prior to being disclosed by or on behalf of the Disclosing Party; or (d) is required to be disclosed by Law, including pursuant to the terms of a court order; provided that the Receiving Party has given the Disclosing Party prior written notice of such disclosure and an opportunity to contest such disclosure and to seek a protective order or other remedy. The Receiving Party shall: (x) protect and safeguard the confidentiality of the Disclosing Party's Confidential Information with at least the same degree of care as the Receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (y) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (z) not disclose any such Confidential Information to any Person, except to the Receiving Party's officers, employees, consultants, accountants, and legal advisors who are bound by written confidentiality obligations and have a need to know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this Agreement.

7. Representations and Warranties.

7.1 Mutual Representations and Warranties. Each party represents and warrants to the other party that:

(a) it is duly organized, validly existing, and in good standing as a corporation or other entity as represented herein under the Laws of its jurisdiction of incorporation or organization;

(b) it has the full right, power and authority to enter into this Agreement and to perform its obligations hereunder;

(c) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the party; and

(d) when executed and delivered by such party, this Agreement will constitute the legal, valid, and binding obligation of such party, enforceable against such party in accordance with its terms.

7.2 Disclaimer of Representations and Warranties. Nothing in this Agreement constitutes any representation or warranty by Licensor that:

(a) any Licensed Mark is valid;

(b) any Licensed Mark (if an application) shall proceed to grant or, if granted, shall be valid; or

(c) the exercise by Licensee of rights granted under this Agreement will not infringe the rights of any person.

7.3 Exclusion of Consequential and Other Indirect Damages TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSOR WILL NOT BE LIABLE TO LICENSEE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, PUNITIVE, OR ENHANCED DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT LICENSEE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8. Indemnification and Insurance.

8.1 Indemnification. Licensee shall indemnify, defend, and hold harmless Licensor and its Affiliates, officers, directors, employees, agents, successors, and assigns (each, an "**Indemnified Party**"), from and against all Losses arising out of or in connection with any third party claim, suit, action, or proceeding (each, a "**Third-Party Claim**") relating to any actual or alleged: (a) breach by Licensee of any representation, warranty, covenant, or obligation under this Agreement; or (b) Licensee's exercise of its rights granted under this Agreement, including any product liability claim or infringement, dilution, or other violation of any intellectual property rights; or (c) any actions or inactions by the Licensee such that the reputation or value of the License Mark is compromised, put at risk, or harmed as determined by Licensor in Licensor's sole discretion.

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") 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 the ownership of voting securities, by contract, or otherwise/ownership, beneficially or of record, of more than fifty percent (50%) of the voting securities of a Person.

"**Losses**" means losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association, or other entity.

8.2 Insurance.

(a) At all times during the Term of this Agreement and any extension hereof, Licensee shall procure and maintain, at its sole cost and expense, commercial general liability insurance and standard product liability insurance with limits no less than \$5,000,000 per occurrence, including bodily injury and property damage and products and completed operations and advertising liability, which policy will include contractual liability coverage insuring the activities of Licensee under this Agreement.

(b) All insurance policies required pursuant to this section must:

- (i) be issued by insurance companies reasonably acceptable to Licensor;
- (ii) provide that such insurance carriers give Licensor at least 30 days' prior written notice of cancellation or non-renewal of policy coverage; *provided that*, prior to such cancellation, Licensee has new insurance policies in place that meet the requirements of this section;
- (iii) waive any right of subrogation of the insurers against Licensor;
- (iv) provide that such insurance be primary insurance and any similar insurance in the name of and/or for the benefit of Licensor is excess and non-contributory; and

(v) name Licensor, including, in each case, all successors and permitted assigns, as additional insureds.

(c) Licensee shall provide Licensor with copies of the certificates of insurance and policy endorsements required by this section upon request of Licensor and shall not do anything to invalidate such insurance.

9. Term and Termination.

9.1 Term. This Agreement will commence as of the Effective Date and, unless terminated earlier in accordance with this section, continue for a period of 18 months (the "**Term**").

9.2 Termination Without Cause. Each of Licensor and Licensee may terminate this Agreement for any or no reason by giving the other party not less than 30 days' written notice.

9.3 Termination for Cause. Licensor may terminate this Agreement immediately on written notice to Licensee if:

(a) Licensee fails to pay any amount due under this Agreement on the due date for payment and remains in default not less than seven days after being notified in writing to make such payment;

(b) Licensee breaches this Agreement (other than failure to pay any amounts due under this Agreement) and (if such breach is curable) fails to cure such breach within 14 days of being notified in writing to do so;

(c) Licensee (i) becomes insolvent or admits its inability to pay its debts generally as they become due; (ii) becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within seven business days or is not dismissed or vacated within 45 days after filing; (iii) is dissolved or liquidated or takes any corporate action for such purpose; (iv) makes a general assignment for the benefit of creditors; or (v) has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business;

(d) Licensee challenges the validity or Licensor's ownership of the Licensed Mark;

(e) there is a change in control of Licensee;

(f) Licensee engages in a (i) a fraudulent act against Licensor, or (ii) criminal act involving moral turpitude;

(g) Revocation of any license issued by any governmental authority or restriction on the ability to distribute medical or recreational cannabis products;

(h) There occurs a month-to-month decrease in Gross Revenue of 5% or greater or a decrease in Gross Revenue of 10% or greater during any 12 month period.

(i) There occurs any actions or inactions by the Licensee such that the reputation or value of the License Mark is compromised, put at risk, or harmed as determined by Licensor in Licensor's sole discretion.

10. Post-Termination Rights and Obligations.

10.1 Effect of Termination. On the expiration or termination of this Agreement for any reason and subject to any express provisions set out elsewhere in this Agreement:

(a) all outstanding amounts payable by Licensee to Licensor immediately become due and payable;

(b) all rights and licenses granted pursuant to this Agreement cease;

(c) Licensee shall cease all use of the Licensed Mark and any trademark or services mark confusingly similar thereto for any purpose; and

(d) Licensee shall promptly return to Licensor or, at Licensor's option, destroy, at Licensee's expense, and of any Confidential Information of Licensor and all copies thereof.

11. Assignment. Licensee shall not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Agreement, in each case whether voluntarily, involuntarily, by operation of law, or otherwise, without Licensor's prior written consent. For purposes of the preceding sentence, and without limiting its generality, any merger, consolidation, or reorganization involving Licensee (regardless of whether Licensee is a surviving or disappearing entity) will be deemed to be a transfer of rights, obligations, or performance under this Agreement for which Licensor's prior written consent is required. No delegation or other transfer will relieve Licensee of any of its obligations or performance under this Agreement. Any purported assignment, delegation, or transfer in violation of this section is void. Licensor may freely assign or otherwise transfer all or any of its rights, or delegate or otherwise transfer all or any of its obligations or performance, under this Agreement without Licensee's consent.

12. Miscellaneous.

12.1 Further Assurances. Each party shall, upon the reasonable request of the other party, and, except as otherwise expressly set forth herein, at such other party's sole expense, execute such documents and perform such acts as may be necessary to give full effect to the terms of this Agreement.

12.2 Independent Contractors. The relationship between the parties is that of independent contractors. Nothing contained in this Agreement will be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party has authority to contract for or bind the other party in any manner whatsoever.

12.3 No Public Announcements. Neither party shall issue or release any announcement, statement, press release, or other publicity or marketing materials relating to this Agreement, or, unless expressly permitted under this Agreement, otherwise use the other party's trademarks, service marks, trade names, logos, domain names, or other indicia of source, association or sponsorship, in each case, without the prior written consent of the other party, which may not be unreasonably withheld, conditioned, or delayed.

12.4 Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder must be in writing and will be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or email (in each case, with confirmation of transmission or receipt) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as may be specified in a notice given in accordance with this section).

If to Licensor: [***]

If to Licensee: c/o Haven Nectar LLC

[***]

[***]

12.5 Interpretation. For purposes of this Agreement, (a) the words "include," "includes," and "including" will be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto," and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Sections, Schedules, and Exhibits refer to the Sections of, and Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement will be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. Any Schedules and Exhibits referred to herein will be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

12.6 Headings. The headings in this Agreement are for reference only and do not affect the interpretation of this Agreement.

12.7 Entire Agreement. This Agreement, together with all Schedules and Exhibits hereto, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

12.8 No Third-Party Beneficiaries. Except as expressly set forth in this Agreement with respect to Indemnified Parties, this Agreement is for the sole benefit of the parties hereto and their respective successors and assigns and nothing herein, express or implied, is intended to or will confer upon any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever, under or by reason of this Agreement.

12.9 Binding Agreement. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective permitted successors and assigns.

12.10 Amendment and Modification; Waiver. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto. No waiver by either party of any of the provisions hereof will be effective unless explicitly set forth in writing and signed by the waiving party. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from this Agreement will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

12.11 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon a determination that any term or other provision is invalid, illegal, or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent permitted under applicable Law.

12.12 Governing Law; Submission to Jurisdiction. This Agreement is governed by and construed in accordance with the internal Laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of Laws of any other. Any legal suit, action, or proceeding arising out of or related to this Agreement will be instituted in the federal courts of the United States or the courts of the State of California, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. Service of process, summons, notice, or other document by mail to such party's address set forth herein will be effective service of process for any suit, action, or other proceeding brought in any such court.

12.13 Waiver of Jury Trial. Each party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any claim, suit, action, or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

12.14 Equitable Relief. Licensee acknowledges that a breach by Licensee of this Agreement may cause Licensor irreparable harm, for which an award of damages would not be adequate compensation and agrees that, in the event of such a breach or threatened breach, Licensor will be entitled to equitable relief, including in the form of a restraining order, orders for preliminary or permanent injunction, specific performance, and any other relief that may be available from any court, and Licensee hereby waives any requirement for the securing or posting of any bond or the showing of actual monetary damages in connection with such relief. These remedies will not be deemed to be exclusive but are in addition to all other remedies available under this Agreement at Law or in equity, subject to any express exclusions or limitations in this Agreement to the contrary.

12.15 Attorneys' Fees. In the event that any claim, suit, action, or proceeding is instituted or commenced by either party hereto against the other party arising out of or related to this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees and court costs from the non-prevailing party.

12.16 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission (to which a signed PDF copy is attached) will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date by their respective officers thereunto duly authorized.

**LICENSOR:
BLUM MANAGEMENT HOLDINGS, INC.**

By _____
Name: Sabas Carrillo
Title: CEO

PEOPLE'S FIRST CHOICE LLC

By _____
Name:
Title:

Schedule 1 – Licensed Trademarks and Service Marks

[***]

BLUM HOLDINGS, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2024
(in thousands, except for shares)

	Blum Holdings, Inc.	Transaction Accounting Adjustments			Pro Forma Consolidated
		Less: People's (a)	Note 4	Pro Forma Adjustments	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 1,175	\$ (321)		\$ —	\$ 854
Inventory	1,663	(399)		—	1,264
Prepaid Expenses & Other Assets	2,000	(607)		—	1,393
Assets Related to Discontinued Operations	16	—		—	16
Total Current Assets	4,854	(1,327)		—	3,527
Property, Equipment and Leasehold Improvements, Net	9,690	(575)		—	9,115
Right-of-Use Assets - Operating Leases	8,508	(4,937)		—	3,571
Intangible Assets & Goodwill	4,935	—	(b)	(3,585)	1,350
Other Assets	3,907	(65)		—	3,842
Long-Term Assets Related to Discontinued Operations	69	—		—	69
TOTAL ASSETS	\$ 31,963	\$ (6,904)		\$ (3,585)	\$ 21,474
LIABILITIES AND STOCKHOLDERS' DEFICIT					
LIABILITIES:					
Current Liabilities:					
Accounts Payable & Accrued Liabilities	\$ 26,067	\$ (6,406)	(c)	\$ (1,598)	\$ 18,063
Current Portion of Notes Payable	22,573	—	(c)	(22,200)	373
Income Taxes Payable	17,076	(9,625)		—	7,451
Total Current Liabilities	65,716	(16,031)		(23,798)	25,887
Notes Payable, Net of Discounts	6,472	—	(c)	(91)	6,381
Deferred Tax Liabilities	140	—		—	140
Operating Lease Liabilities	8,272	(4,545)		—	3,727
TOTAL LIABILITIES	80,600	(20,576)		(23,889)	36,135
STOCKHOLDERS' DEFICIT:					
Preferred Stock, Convertible Series V, par value \$0.001: 25,000,000 shares authorized and 14,071,431 shares outstanding as of March 31, 2024	1	—		—	1
Common Stock, par value \$0.001: 990,000,000 shares authorized and 8,499,105 shares outstanding as of March 31, 2024	8	—		—	8
Additional Paid-In Capital	408,584	—		—	408,584
Accumulated Deficit	(457,230)	—	(f)	33,976	(423,254)
TOTAL STOCKHOLDERS' DEFICIT	(48,637)	—		33,976	(14,661)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 31,963	\$ (20,576)		\$ 10,087	\$ 21,474

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated financial statements.

BLUM HOLDINGS, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(in thousands, except for shares and per share data)

	Three Months Ended March 31, 2024				
	Blum Holdings, Inc.	Transaction Accounting Adjustments		Pro Forma Consolidated	
		Less: People's (d)	Note 4	Pro Forma Adjustments	
Revenue	\$ 6,782	\$ (4,502)		\$ —	\$ 2,280
Cost of Goods Sold	3,174	(1,938)		—	1,236
Gross Profit	3,608	(2,564)		—	1,044
Operating Expenses:					
Selling, General & Administrative	6,099	(1,601)		—	4,498
Loss (Gain) on Disposal of Assets	—	—	(f)	(33,976)	(33,976)
Total Operating Expenses	6,099	(1,601)		(33,976)	(29,478)
Income (Loss) from Operations	(2,491)	(963)		33,976	30,522
Total Other Income (Expense)	(512)	141	(e)	479	108
Income (Loss) from Continuing Operations Before Provision for Income Taxes	(3,003)	(822)		34,455	30,629
Provision for Income Tax Expense for Continuing Operations	(52)	8		—	(44)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	\$ (3,055)	\$ (814)		\$ 34,455	\$ 30,585
Net Income (Loss) from Continuing Operations per Common Share - Basic	\$ (0.31)				\$ 3.09
Net Income (Loss) from Continuing Operations per Common Share - Diluted	\$ (0.31)				\$ 3.09
Weighted-Average Shares Outstanding - Basic	9,909,072				9,909,072
Weighted-Average Shares Outstanding - Diluted	9,909,072				9,909,072

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated financial statements.

BLUM HOLDINGS, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(in thousands, except for shares and per share data)

	Year Ended December 31, 2023				
	Blum Holdings, Inc.	Transaction Accounting Adjustments		Pro Forma Consolidated	
		Less: People's (d)	Note 4	Pro Forma Adjustments	
Revenue	\$ 33,229	\$ (20,967)		\$ —	\$ 12,262
Cost of Goods Sold	15,565	(9,263)		—	6,302
Gross Profit	17,664	(11,704)		—	5,960
Operating Expenses:					
Selling, General & Administrative	30,263	(7,900)		—	22,363
Loss (Gain) on Disposal of Assets	1,607	—	(f)	(32,443)	(30,836)
Total Operating Expenses	31,870	(7,900)		(32,443)	(8,473)
Income (Loss) from Operations	(14,206)	(3,804)		32,443	14,433
Total Other Income (Expense)	4,503	342	(e)	1,619	6,464
Income (Loss) from Continuing Operations Before Provision for Income Taxes	(9,703)	(3,462)		34,062	20,897
Provision for Income Tax Expense for Continuing Operations	(4,116)	3,012		—	(1,104)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	\$ (13,819)	\$ (450)		\$ 34,062	\$ 19,793
Net Income (Loss) from Continuing Operations per Common Share - Basic	\$ (1.69)				\$ 2.42
Net Income (Loss) from Continuing Operations per Common Share - Diluted	\$ (1.69)				\$ 2.42
Weighted-Average Shares Outstanding - Basic	8,193,853				8,193,853
Weighted-Average Shares Outstanding - Diluted	8,193,853				8,193,853

The accompanying notes are an integral part of the unaudited pro forma condensed consolidated financial statements.

BLUM HOLDINGS, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – INTRODUCTION

On June 10, 2024, Unrivaled Brands, Inc. (“Unrivaled”), a wholly owned subsidiary of Blum Holdings, Inc. (the “Company”), entered into a Membership Interest Purchase Agreement (the “MIPA”) and simultaneously completed the sale (the “Disposition”) of its controlling membership interest in People’s First Choice, LLC (“PFC”) to Haven Nectar, LLC (“Haven Nectar”). Haven Nectar is a recently formed entity owned and controlled by Mr. Shubham Pandey. PFC owns and operates a cannabis retail dispensary campus in Santa Ana, California named *Blüm* Santa Ana. In connection with the MIPA, People’s California, LLC (“Peoples”), sold its minority interest in PFC to Haven Nectar.

Based on estimates included in the unaudited pro forma condensed consolidated financial statements for the period ended March 31, 2024, the total transaction consideration was \$24.8 million. Pursuant to the MIPA, Haven Nectar acquired the 80% membership interests of Unrivaled and the 20% membership interests of People’s. The consideration includes \$9.0 million in cash (the “Cash Consideration”) and the assumption of PFC’s liabilities (“PFC’s Liabilities”).

The Cash Consideration is in the form of \$8.0 million paid in cash at closing and a \$1.0 million secured promissory note to be paid over 12 months. The Cash Consideration was paid to People’s for settlement of the debt pursuant to the binding settlement term sheet between Unrivaled and People’s entered into on March 6, 2023 (the “Settlement Term Sheet”). As a result of the sale and pursuant to the terms of the Settlement Term Sheet, after the Cash Consideration, the remaining debt to People’s is settled, subject to any deficiencies as defined therein. The PFC liabilities are comprised of \$5.53 million in accounts payable and accrued liabilities and \$8.59 million in income tax payable, and pursuant to US GAAP \$1.03 million in Tax Provision and \$0.69 million in Lease Liabilities, for an aggregate of \$15.84 million in liabilities.

As a result of the sale of PFC and pursuant to the Settlement Term Sheet, the total estimated extinguishment of liabilities expected is \$44.46 million based on pro forma estimates from the Company’s March 31, 2024 financial statements on Form 10-Q as filed with the SEC on May 14, 2024, which liabilities are comprised of \$5.64 million in total accounts payable and accrued liabilities, \$8.59 million in income tax payable, \$23.89 million in promissory notes and accrued interest, \$5.31 million in lease liabilities, and \$1.03 million in tax provision.

The total estimated gain from the sale of PFC is \$33.98 million or \$3.09 per Common Share based on estimates included in the unaudited pro forma condensed consolidated financial statements for the period ended March 31, 2024, which gain is comprised of \$24.84 million in total consideration plus \$9.13 million in net liabilities that were disposed.

Under the terms of the transaction, Unrivaled is retaining a 20% non-economic, non-voting interest in PFC pending approval of the transfer of local and state retail cannabis licenses to Mr. Pandey. Upon transfer of the licenses, Unrivaled’s 20% minority interest will transfer to Haven Nectar, Unrivaled will resign as Manager of PFC and Sabas Carrillo will resign as an officer of PFC.

Effective upon the closing of the transaction, Haven Nectar assumed full operational and management control of the PFC business pursuant to a Management Services Agreement (“MSA”), pending transfer of the cannabis licenses. Pursuant to the MSA, Haven Nectar is responsible for paying all costs and expenses of the business, including taxes, license fees, operational and capital expenses, vendors, and rent due to PFC’s landlord. Haven Nectar is also responsible for funding all such costs and expense to the extent the business generates insufficient revenue to pay such costs and expenses. In exchange, Haven Nectar is entitled to a management fee equal to profits generated from the business, if any.

Unrivaled is assisting in the transition of PFC’s business operations to Haven Nectar for a period of 30 days after the closing pursuant to a Transition Services Agreement (“TSA”) for no additional consideration. Under the terms of the TSA, Unrivaled will provide consulting services with respect to operational management continuity and management support, vendor relations, labor and employment matters, utilities and maintenance, business access, filings and licenses, and marketing and branding, among others. Separately, pursuant to a Trademark License Agreement (“TLA”) between the Company’s subsidiary Blum Management Holdings, Inc., and PFC, Haven Nectar shall have the right to continued use of the *Blüm* name and registered trademarks in connection with PFC’s business on a royalty free basis for up to 18 months, and for a license fee thereafter at PFC’s option.

Basis of Presentation

The unaudited pro forma condensed consolidated financial statements were prepared in accordance with Article 11 of Regulation S-X and have been derived from the historical financial statements of Blum Holdings, Inc. prepared in accordance with accounting principles generally accepted in the United States of America. The unaudited pro forma consolidated financial statements have been compiled using the significant accounting policies, as set out in the audited consolidated financial statements of the Company as of and for the periods ended March 31, 2024 and December 31, 2023.

The unaudited pro forma condensed consolidated balance sheet is presented as if the Disposition had occurred on March 31, 2024. The unaudited pro forma condensed consolidated statements of operations are presented as if the Disposition had occurred as of January 1, 2023. The unaudited pro forma condensed consolidated financial information has been prepared to illustrate the estimated effects of the Disposition.

The unaudited pro forma condensed consolidated financial statements are not necessarily indicative of what the Company's financial condition or results of operations would have been for the periods presented. The unaudited pro forma condensed consolidated financial statements are intended to provide information about the continuing impact of the Disposition as if it had been consummated earlier. The pro forma adjustments are based on available information and certain assumptions that management believes are reasonable and are expected to have a continuing impact on our results of operations. In the opinion of management, all adjustments necessary to present fairly the unaudited pro forma condensed consolidated financial statements have been made.

The unaudited pro forma condensed consolidated financial information should be read in conjunction with the Company's consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2023 and in the Quarterly Report on Form 10-Q for the three months ended March 31, 2024.

NOTE 2 – PRO FORMA ADJUSTMENTS

The unaudited pro forma consolidated balance sheet as of March 31, 2024 reflects the following transaction accounting adjustments related to the Disposition:

- (a) The removal of assets and liabilities disposed of in connection with the Disposition from the historical information presented.
- (b) The write-off of goodwill allocated to the reporting unit in which People's First Choice, LLC was historically included in.
- (c) The settlement of the secured promissory notes dated March 6, 2023 issued to People's California, LLC as a result of the Disposition. As of March 31, 2024 and December 31, 2023, the outstanding balance was \$22,200,000 and the unamortized debt premium was \$90,727.

The unaudited pro forma consolidated statements of operations for the three months ended March 31, 2024 and the fiscal year ended December 31, 2023 reflect the following transaction accounting adjustments related to the Disposition:

- (d) The removal of revenues and expenses from the assets sold in connection with the Disposition from the historical information presented.
- (e) The elimination of interest expense and amortization of debt discount to reflect the settlement of the secured promissory notes dated March 6, 2023 as if the consideration from the Disposition had been applied to repay the debt on January 1, 2023, thus resulting in the full settlement of the debt.
- (f) The pro forma net gain on disposal of assets is based on the Company's historical balance sheet information as of March 31, 2024 and December 31, 2023 and is subject to change based upon, among other things, the actual balance sheet on the closing date of the Disposition and the finalization of the Company's financial closing procedures and may differ significantly from the actual net gain on disposal of assets that the Company will recognize. The pro forma net gain on disposal of assets presented below is reflected in the unaudited pro forma condensed consolidated balance sheet as if the Disposition was consummated as of March 31, 2024, and in the unaudited pro forma condensed statements of operation as if the Disposition was consummated on January 1, 2023.

	Three Months Ended March 31, 2024	Year Ended December 31, 2023
Cash Consideration	\$ 9,000	\$ 9,000
Assumption of Liabilities	15,843	15,074
Total Consideration	24,843	24,074
Net Assets (Liabilities) Disposed Of	(12,718)	(11,954)
Goodwill	3,585	3,585
Net Liabilities Disposed Of	(9,133)	(8,369)
Pro Forma Gain on Disposal of Assets	\$ (33,976)	\$ (32,443)

NOTE 3 – PRO FORMA EARNINGS PER SHARE

The pro forma earnings per share (“EPS”) has been adjusted to reflect the pro forma consolidated net income from continuing operations for the three months ended March 31, 2024 and the year ended December 31, 2023. The number of shares used in calculating the pro forma consolidated basic and diluted earnings per share is outlined below.

	Three Months Ended March 31, 2024	Year Ended December 31, 2023
Net Income from Continuing Operations	\$ 30,585,484	\$ 19,793,053
Weighted-Average Shares Outstanding - Basic	9,909,072	8,193,853
Net Income from Continuing Operations per Common Share - Basic	\$ 3.09	\$ 2.42
Weighted-Average Shares Outstanding - Diluted	9,909,072	8,193,853
Net Income from Continuing Operations per Common Share - Diluted	\$ 3.09	\$ 2.42

Dilutive securities included in the calculation of diluted net income per share were nil for the three months ended March 31, 2024 and the year ended December 31, 2023.