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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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): **February 27, 2020**

**MARIMED INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-54433**  
(Commission  
File Number)

**27-4672745**  
(IRS Employer  
Identification No.)

**10 Oceana Way, Norwood, Massachusetts**  
(Address of principal executive offices)

**02062**  
(Zip Code)

Registrant's telephone number, including area code: **(617) 795-5140**

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(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 (see General Instruction A.2. below):

- 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: None.

\_\_\_\_\_  
Title of each class  
Not Applicable.

\_\_\_\_\_  
Ticker symbol(s)  
Not Applicable.

\_\_\_\_\_  
Name of each exchange on which registered  
Not Applicable.

Indicate by check mark whether the registrant is an emerging growth company as defined 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 check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 1.01 Entry into a Material Definitive Agreement.**

On February 27, 2020, MariMed Inc. (the “Registrant”) entered into an Exchange Agreement (the “Exchange Agreement”) with Navy Capital Green Fund, LP and Navy Capital Green Co-Invest Fund, LLC (collectively, “Navy”). Pursuant to the Exchange Agreement, Navy loaned the Registrant an aggregate of \$4,417,500 and, in consideration for the loan, the Registrant issued promissory notes, due August 27, 2021 (with a right to extend through February 27, 2022 upon payment of an extension fee), in the aggregate principal amount of \$4,417,500 to Navy (the “New Notes”) and exchanged 4,903,333 shares of the Registrant’s common stock, par value \$0.001 per share, previously acquired by Navy, for an equal number of newly designated Series B Convertible Preferred Shares (the “Series B Preferred Stock”).

The forgoing is qualified in its entirety by reference to the Exchange Agreement and each of the New Notes filed herewith as Exhibit 10.1, 4.1 and 4.2, respectively.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information regarding the New Notes set forth in Item 1.01 above is incorporated herein by reference.

**Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year**

On February 27, 2020, in connection with the Exchange Agreement, the Registrant filed (i) a Certificate of Designation to designate the rights and preferences of the Series B Preferred Stock with the Secretary of State of Delaware; and (ii) a Certificate of Elimination to return all shares of the Series A Convertible Preferred Stock, par value \$.001 per shares (“Series A Preferred”) to the status of authorized and unissued shares of undesignated preferred stock. None of the Series A Preferred were outstanding.

A copy of each of the Certificate of Designation and the Elimination Certificate is attached hereto as Exhibit 3.1 and 3.2, respectively.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	<u>Series B Convertible Preferred Stock Certificate of Designation as filed with the Secretary of State of Delaware on February 27, 2020.</u>
3.2	<u>Certificate Eliminating the Series A Preferred Stock as filed with the Secretary of State of Delaware on February 27, 2020.</u>
4.1	<u>Promissory Note, dated February 27, 2020, in the principal amount of \$3,742,500, issued by MariMed Inc. to Navy Capital Green Fund, LP.</u>
4.2	<u>Promissory Note, dated February 27, 2020, in the principal amount of \$675,000, issued by MariMed Inc. to Navy Capital Green Co-Invest Fund, LLC.</u>
10.1	<u>Exchange Agreement, dated as of February 27, 2020, among MariMed Inc., Navy Capital Green Management, LLC, a Delaware limited liability company, as discretionary investment manager of Navy Capital Green Fund, LP, and Navy Capital Green Co-Invest Fund, LLC.</u>

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**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.

MARIMED INC.

Dated: February 28, 2020

By: /s/ Jon R. Levine

Jon R. Levine, Chief Financial Officer

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## EXECUTION COPY

CERTIFICATE OF DESIGNATION  
OF PREFERENCES, RIGHTS AND LIMITATIONS  
OF  
SERIES B CONVERTIBLE PREFERRED STOCK  
OF  
MARIMED INC.

It is hereby certified that:

1. The name of the corporation (hereinafter called the "Corporation") is MariMed Inc., a Delaware corporation.
2. The Certificate of Incorporation of the Corporation, as heretofore amended, authorizes the issuance of Fifty Million (50,000,000) shares of preferred stock, \$0.001 par value per share, and expressly vests in the Board of Directors of the Corporation the authority to issue any or all of said shares in one (1) or more series and by resolution or resolutions to establish the designation and number and to fix the relative rights and preferences of each series to be issued.
3. The Board of Directors of the Corporation, pursuant to the authority expressly vested in it as aforesaid, has adopted the following resolutions creating a Series B issue of Preferred Stock:

**RESOLVED**, that Four Million Nine Hundred Eight Thousand Three Hundred Thirty Three (4,908,333) of the Fifty Million (50,000,000) authorized shares of Preferred Stock of the Corporation shall be designated Series B Convertible Preferred Stock ("Series B Preferred Stock"), and shall possess the rights and preferences set forth below:

1. Ranking.

The Series B Preferred Stock shall, with respect to dividend rights and rights on liquidation, winding up and dissolution, rank (i) senior to the Corporation's Common Stock and to all classes and series of stock of the Corporation now or hereafter authorized, issued or outstanding, which by their terms specifically provide that they are junior to the Series B Preferred Stock or which do not specify their rank; (ii) on a parity with each other class of capital stock or series of preferred stock authorized or issued by the Corporation after the date hereof, the terms of which specifically provide that such class or series will rank on a parity with the Series B Preferred Stock as to dividend distributions and distributions upon the liquidation, winding up and dissolution of the Corporation; and (iii) junior only to any other class of capital stock or other series of preferred stock authorized or issued by the Corporation after the date hereof the terms of which (subject to Subsection 4.2 hereof) specifically provide that such class or series will rank senior to the Series B Preferred Stock as to dividend distributions or distributions upon the liquidation, winding up or dissolution of the Corporation.

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2. Dividends.

The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in this Certificate of Incorporation) the holders of the Series B Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series B Preferred Stock in an amount at least equal to (i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series B Preferred Stock as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Series B Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series B Preferred Stock determined by (A) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price (or other appropriate reference value) of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the Series B Original Issue Price (as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series B Preferred Stock pursuant to this Section 2 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series B Preferred Stock dividend. The "Series B Original Issue Price" shall mean Three Dollars (\$3.00) per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock.

3. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

3.1 Preferential Payments to Holders of Series B Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series B Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event (as defined below), out of the consideration payable to stockholders in such Deemed Liquidation Event or the Available Proceeds (as defined below), before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the Series B Original Issue Price, plus any dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series B Preferred Stock the full amount to which they shall be entitled under this Subsection 3.1, the holders of shares of Series B Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the

respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

3.2 Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of all Series B Liquidation Amounts required to be paid to the holders of shares of Series B Preferred Stock the remaining assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, the consideration not payable to the holders of shares of Series B Preferred Stock pursuant to Subsection 3.1 or the remaining Available Proceeds, as the case may be, shall be distributed among the holders of the shares of Series B Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of this Certificate of Incorporation immediately prior to such liquidation, dissolution or winding up of the Corporation. The aggregate amount which a holder of a share of Series B Preferred Stock is entitled to receive under Subsections 3.1 and 3.2 is hereinafter referred to as the “Series B Liquidation Amount.”

3.3 Deemed Liquidation Events.

3.3.1 Definition. Each of the following events shall be considered a “Deemed Liquidation Event” unless the holders of at least a majority of the outstanding shares of Series B Preferred Stock (the “Requisite Holders”) elect otherwise by written notice sent to the Corporation at least 5 days prior to the effective date of any such event:

- (a) a merger or consolidation in which:
  - (i) the Corporation is a constituent party; or
  - (ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or

- (b) (i) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or (ii) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

### 3.3.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 3.3.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the “**Merger Agreement**”) provides that the consideration payable to the stockholders of the Corporation in such Deemed Liquidation Event shall be paid to the holders of capital stock of the Corporation in accordance with Subsections 3.1 and 3.2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 3.3.1(a)(ii) or 3.3.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law of the State of Delaware (the “**General Corporation Law**”) within ninety (90) days after such Deemed Liquidation Event, then:

(i) the Corporation shall send a written notice to each holder of Series B Preferred Stock no later than the ninetieth (90<sup>th</sup>) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause to require the redemption of such shares of Series B Preferred Stock, and

(ii) if the Requisite Holders so request in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the “**Available Proceeds**”), on the one hundred fiftieth (150<sup>th</sup>) day after such Deemed Liquidation Event, to redeem all outstanding shares of Series B Preferred Stock at a price per share equal to the Series B Liquidation Amount.

Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Series B Preferred Stock, the Corporation shall redeem a pro rata portion of each holder’s shares of Series B Preferred Stock to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares as soon as it may lawfully do so under Delaware law governing distributions to stockholders. The date of each such redemption shall be a “**Redemption Date**”.

(c) Procedures.

(i) Surrender of Certificates; Payment. On or before the applicable Redemption Date, each holder of shares of Series B Preferred Stock to be redeemed on such Redemption Date, unless such holder has



exercised his, her or its right to convert such shares as provided in Section 5, shall, if a holder of shares in certificated form, surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, and thereupon the Available Proceeds allocable to each such share shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Series B Preferred Stock represented by a certificate are redeemed, a new certificate, instrument, or book entry representing the unredeemed shares of Series B Preferred Stock shall promptly be issued to such holder.

(ii) Interest. If any shares of Series B Preferred Stock are not redeemed for any reason on any Redemption Date, all such unredeemed shares shall remain outstanding and entitled to all the rights and preferences provided herein, and the Corporation shall pay interest on the Series B Liquidation Amount applicable to such unredeemed shares at an aggregate per annum rate equal to ten percent (10%) until all of the shares of Series B Preferred Stock have been redeemed and any interest thereon, is paid in full, with such interest to accrue daily in arrears and be compounded annually; provided, however, that in no event shall such interest exceed the maximum permitted rate of interest under applicable law (the “**Maximum Permitted Rate**”). In the event any provision hereof would result in the rate of interest payable hereunder being in excess of the Maximum Permitted Rate, the amount of interest required to be paid hereunder shall automatically be reduced to eliminate such excess; provided, however, that any subsequent increase in the Maximum Permitted Rate shall be retroactively effective to the applicable Redemption Date to the extent permitted by law.

(iii) Rights Subsequent to Redemption. If on the applicable Redemption Date the Series B Liquidation Amount payable upon redemption of the shares of Series B Preferred Stock to be redeemed on such Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that any certificates evidencing any of the shares of Series B Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of Series B Preferred Stock shall cease to accrue after such Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of any such certificate or certificates therefor.

(iv) Prior to the distribution or redemption provided for in Subsection 3.3.2(b) and (c), the Corporation shall not expend or dissipate

the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event.

3.3.3 Amount Deemed Paid or Distributed. In any Deemed Liquidation Event, if Available Proceeds are in a form of property other than in cash, the value of such distribution shall be deemed to be the fair market value of such property. The determination of fair market value of such property shall be made in good faith by the Board of Directors of the Corporation, provided that to the extent such property consists of securities, the fair market value of such securities shall be determined as follows:

(a) For securities not subject to investment letters or other similar restrictions on free marketability covered by Subsection 3.3.3(c) below,

(i) if there is an active Trading Market for the securities, the fair market value for such securities shall be the average VWAP of such securities over the thirty (30) Trading Day period ending three (3) days prior to the closing of the Deemed Liquidation Event;

(ii) if there is no active Trading Market for the securities, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors of the Corporation.

(b) For the purposes hereof:

(i) “**Excluded Day**” means, for the purposes of determining the VWAP of the Common Stock, any Trading Day in which there is (a) a failure by the primary Trading Market for the Common Stock to open for trading during its regular trading session or (b) the occurrence or existence, prior to 1:00 p.m. New York City time, for more than one half-hour period in the aggregate during regular trading hours of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant stock exchange or otherwise) in the Common Stock or in any options contracts or futures contracts relating to the Common Stock or (c) trading volume of less than 400,000 shares (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock) in the Common Stock;

(ii) “**Trading Day**” means a day on which the principal Trading Market for the Common Stock is open for trading;

(iii) “**Trading Market**” shall mean whichever of the New York Stock Exchange, the NYSE American, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market, OTC Bulletin Board, or the OTC Markets Group, Inc. OTCQX or OTCQB tier (or any successors to any of the foregoing) on which the Common Stock is listed or quoted for trading on the date in question; and

(iv) "VWAP" shall mean, for any Trading Day, the price determined by the first of the following clauses that applies: (A) if the primary Trading Market for the Common Stock is the New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market, OTC Bulletin Board, the daily volume weighted average price of the Common Stock for such day (or, if such day is an Excluded Day, the nearest preceding Trading Day that is not an Excluded Day) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (B) if OTCQB or OTCQX is the primary Trading Market for the Common Stock, the volume weighted average price of the Common Stock for such day (or, if such day is an Excluded Day, the nearest preceding Trading Day that is not an Excluded Day) on OTCQB or OTCQX as applicable, (C) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported.

(c) The method of valuation of securities subject to investment letters or other similar restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall take into account an appropriate discount (as determined in good faith by the Board of Directors of the Corporation) from the market value as determined pursuant to Subsections 3.3.3(a)(i) or (ii) above so as to reflect the approximate fair market value thereof.

3.3.4 Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event pursuant to Subsection 3.3.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the "Additional Consideration"), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "Initial Consideration") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 3.1 and 3.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 3.1 and 3.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Subsection 3.3.4, consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

4. Voting.

4.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Series B Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series B Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Series B Preferred Stock shall vote together with the holders of Common Stock as a single class.

4.2 Series B Preferred Stock Protective Provisions. At any time when shares of Series B Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or this Certificate of Incorporation) the written consent or affirmative vote of the Requisite Holders given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

4.2.1 liquidate, dissolve or wind-up the business and affairs of the Corporation, or consent to any of the foregoing;

4.2.2 amend, alter or repeal any provision of this Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series B Preferred Stock;

4.2.3 except as set forth in Subsection 4.2.4 create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock unless the same ranks junior to, or *pari passu* with, the Series B Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption, or increase the authorized number of shares of Series B Preferred Stock or increase the authorized number of shares of any additional class or series of capital stock of the Corporation unless the same ranks junior to, or *pari passu* with, the Series B Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption;

4.2.4 notwithstanding the limitations set forth in Subsection 4.2.3, create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock that is senior to the Series B Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption (“**Senior Stock**”), or increase the authorized number of shares of any such class or series of Senior Stock, unless:

(a) each share of such class or series of Senior Stock is issued exclusively in consideration for cash consideration payable to or for the benefit of the Corporation (such aggregate amount, the “**Senior Stock Consideration**”); and

(b) the liquidation preference of the series of such Senior Stock is not at the time of issuance and will not at any time, due to the passage of time or as a result of conversion, exchange or otherwise, be greater than One Hundred Ten Percent (110%) of the Senior Stock Consideration.

4.2.5 reclassify, alter or amend any existing security of the Corporation that is junior to, or *pari passu* with, the Series B Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to the Series B Preferred Stock in respect of any such right, preference, or privilege;

4.2.6 cause or permit any of its subsidiaries to, sell, issue, sponsor, create or distribute any digital tokens, cryptocurrency or other blockchain-based assets (collectively, "Tokens"), including through a pre-sale, initial coin offering, token distribution event or crowdfunding, or through the issuance of any instrument convertible into or exchangeable for Tokens; or

4.2.7 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, or apply any of its funds, property or assets to any sinking fund or other retirement of any shares of (or any warrants, options or rights with respect to) capital stock of the Corporation, or permit any of its subsidiaries (other than wholly-owned subsidiaries) to do any of the foregoing, other than (a) redemptions of or dividends or distributions on the Series B Preferred Stock as expressly authorized herein, (b) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (c) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof.

## 5. Optional Conversion – Election of Holders.

On or prior to the sixth anniversary of the date on which the first share of Series B Preferred Stock was issued (such date, the "Series B Original Issue Date" and six-year period, the "Optional Conversion Period"), the holders of the Series B Preferred Stock shall have conversion rights as follows (the "Holder Conversion Rights"):

### 5.1 Right to Convert.

5.1.1 Conversion Ratio. Each share of Series B Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time during the Optional Conversion Period, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Series B Original Issue Price by the Series B Conversion Price (as defined below) in effect at the time of conversion. The "Series B Conversion Price" shall initially be equal to Three Dollars (\$3.00) per share. Such initial Series B Conversion Price, and the rate at which shares of Series B Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

5.1.2 Termination of Holder Conversion Rights. The Holder Conversion Rights shall terminate at the close of business on the last full day of the Optional Conversion Period. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Holder Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Series B Preferred Stock.

5.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series B Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Series B Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

5.3 Mechanics of Conversion.

5.3.1 Notice of Conversion. In order for a holder of Series B Preferred Stock to voluntarily convert shares of Series B Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Series B Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Series B Preferred Stock and, if applicable, any event on which such conversion is contingent and (b), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Series B Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Series B Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Holder Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Holder Conversion Time (i) issue and deliver to such holder of Series B Preferred Stock, or to his, her or its nominees, a notice of issuance of uncertificated shares and may, upon written request, issue and deliver a certificate for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and, may, if applicable and upon written request, issue and deliver a certificate for the number (if any) of the shares of Series B Preferred Stock represented by any surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in Subsection 5.2 in lieu

of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) except to the extent previously accounted for in the conversion price, pay all declared but unpaid dividends on the shares of Series B Preferred Stock converted.

5.3.2 Reservation of Shares. The Corporation shall at all times when the Series B Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Series B Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series B Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series B Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Series B Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Series B Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted Series B Conversion Price.

5.3.3 Effect of Conversion. All shares of Series B Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Holder Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 5.2 and to receive payment of any dividends declared but unpaid thereon.

5.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Series B Conversion Price shall be made for any declared but unpaid dividends on the Series B Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

5.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Series B Preferred Stock pursuant to this Section 5; provided, however, the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Series B Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

5.4 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Series B Original Issue Date effect a subdivision of the outstanding Common Stock, the Series B Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on

conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Series B Original Issue Date combine the outstanding shares of Common Stock, the Series B Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

5.5 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series B Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Series B Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Series B Conversion Price then in effect by a fraction:

- (1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and
- (2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Series B Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Series B Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Series B Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Series B Preferred Stock had been converted into Common Stock on the date of such event.

5.6 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series B Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 2 do not apply to such dividend or distribution, then and in each such event the holders of Series B Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if



all outstanding shares of Series B Preferred Stock had been converted into Common Stock on the date of such event.

5.7 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 3.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Series B Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 5.5 or 5.6), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Series B Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Series B Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Series B Preferred Stock, to the end that the provisions set forth in this Section 5 (including provisions with respect to changes in and other adjustments of the Series B Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Series B Preferred Stock.

5.8 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Series B Conversion Price pursuant to this Section 5, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series B Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Series B Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Series B Preferred Stock (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Series B Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Series B Preferred Stock.

5.9 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Series B Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Series B Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Series B Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Series B Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

6. Optional Conversion – Election of the Corporation.

During the Optional Conversion Period, the Corporation shall have conversion rights as follows (the “Corporation Conversion Rights”):

6.1 Right to Convert.

6.1.1 Conversion Ratio. At any time during the Optional Conversion Period at which the Corporation Conversion Conditions set forth below are and remain satisfied, the Corporation may give notice to the holders that all, but not less than all, outstanding shares of Series B Preferred Stock shall automatically be converted into fully paid and non-assessable shares of Common Stock at the then effective conversion rate as calculated pursuant to Section 5.

6.1.2 Corporation Conversion Conditions. The Corporation Conversion Rights shall be available in the event that the daily VWAP of the Common Stock exceeds Four Dollars (\$4.00) per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock) for at least twenty (20) consecutive Trading Days (excluding any Excluded Days) immediately prior to the date on which the Corporation gives notice to the holders.

6.1.3 Termination of Corporation Conversion Rights. The Corporation Conversion Rights shall terminate at the close of business on the last full day of the Optional Conversion Period. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Corporation Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Series B Preferred Stock.

6.2 Procedural Requirements. In the event the Corporation elects to exercise its Corporation Conversion Rights, all holders of record of shares of Series B Preferred Stock shall be sent written notice of the time (the “Corporation Conversion Time”) and the place designated for the mandatory conversion of all such shares of Series B Preferred Stock pursuant to this

Section 5. The Corporation Conversion Time must not occur less than ten (10) days following the giving of such notice. Upon receipt of such notice, each holder of shares of Series B Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series B Preferred Stock converted pursuant to Subsection 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Corporation Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Corporation Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement and bond, if required) for Series B Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a notice of issuance of uncertificated shares and may, upon written request, issue and deliver a certificate for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof, and (b) pay cash as provided in Subsection 5.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (except to the extent previously accounted for in the conversion price) the payment of any declared but unpaid dividends on the shares of Series B Preferred Stock converted.

7. Automatic Conversion or Redemption.

7.1 Conversion Ratio. On the first business day following the Optional Conversion Period (the "Conversion/Redemption Time"), all outstanding shares of Series B Preferred Stock shall automatically be converted into shares of Common Stock, as follows:

7.1.1 In the event that the average VWAP for the Common Stock for the sixty (60) Trading Day period ending on the Trading Day prior to the Conversion Redemption Time (the "Trading Price") is less than or equal to Fifty Cents (\$0.50) per share, then, at the election of the Corporation:

(a) (i) all shares of Series B Preferred Stock shall automatically be converted into fully paid and non-assessable shares of Common Stock at the then effective conversion rate as calculated pursuant to Section 5; and (ii) the Corporation shall pay to the holders of Series B Preferred Stock (immediately prior to conversion) an amount in cash per share equal to the difference between the Series B Original Issuance Price and the Trading Price; or

(b) the Corporation shall pay to the holders of Series B Preferred Stock an amount in cash equal to the Series B Original Issuance Price.

7.1.2 In the event that the Trading Price is greater than Fifty Cents (\$0.50) per share, then, at the election of the Corporation:

(a) all shares of Series B Preferred Stock shall automatically be converted into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Series B Original Issuance Price by the Trading Price; or

(b) the Corporation shall pay to the holders of Series B Preferred Stock an amount in cash equal to the Series B Original Issuance Price; or

(c) the Corporation shall deliver to the holders a number of fully paid and non-assessable shares of Common Stock, which shall be valued at the Trading Price, as the Corporation may determine in its sole discretion, and pay to the holders an amount in cash equal to the difference between the Series B Original Issuance Price and aggregate value of the shares of Common Stock so delivered.

7.2 Procedural Requirements. All holders of record of shares of Series B Preferred Stock shall be sent written notice of the Conversion/Redemption Time and the place designated for automatic conversion or redemption of all such shares of Series B Preferred Stock pursuant to this Section 7. Such notice need not be sent in advance of the occurrence of the Conversion/Redemption Time. Upon receipt of such notice, each holder of shares of Series B Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If required by the Corporation, any certificates surrendered for conversion or redemption shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series B Preferred Stock converted pursuant to Subsection 7.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Conversion/Redemption Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 7.2. As soon as practicable after the Conversion/Redemption Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Series B Preferred Stock, the Corporation shall (a) issue and deliver to such holder such number of fully paid and non-assessable shares of Common Stock as is determined pursuant to Section 7.1, if applicable, and (b) pay cash as provided in Subsections 5.2 and 7.1, if applicable, and (except to the extent previously accounted for in the conversion or redemption price) the payment of any declared but unpaid dividends on the shares of Series B Preferred Stock converted or redeemed.

8. Redeemed or Otherwise Acquired Shares. Any shares of Series B Preferred Stock that are converted, redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred

as shares of such series, and the Corporation shall thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series B Preferred Stock accordingly. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Series B Preferred Stock following redemption.

9. Waiver. Any of the rights, powers, preferences and other terms of the Series B Preferred Stock set forth herein may be waived on behalf of all holders of Series B Preferred Stock by the affirmative written consent or vote of the holders of at least a majority of the shares of Series B Preferred Stock then outstanding.

10. Notices. Any notice required or permitted by the provisions of the Certificate of Incorporation to be given to a holder of shares of Series B Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

IN WITNESS WHEREOF, this Certificate of Designation has been executed by a duly authorized officer of the Corporation as of this 27th day of February, 2020.

/s/ Jon R. Levine  
Name: Jon R. Levine  
Title: Chief Financial Officer



**CERTIFICATE ELIMINATING REFERENCE TO A SERIES  
OF SHARES OF STOCK FROM THE  
CERTIFICATE OF INCORPORATION  
OF  
MARIMED INC.  
(f/k/a WORLDS ONLINE INC.)**

(Pursuant to Section 151 (g) of the Delaware General Corporation Law)

\_\_\_\_\_

MariMed Inc. (hereinafter called the "corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

1. The name of the corporation is MariMed Inc.
2. The designation of the series of shares of stock of the corporation to which this certificate relates is Series A Convertible Preferred Stock, \$.001 par value per share (the "Series A Preferred Stock").
3. The voting powers, designations, preferences, and the relative, participating, optional, or other rights, and the qualifications, limitations, and restrictions of the Series A Preferred Stock were provided for in a resolution adopted by the Board of Directors of the corporation pursuant to authority expressly vested in it by the provisions of the certificate of incorporation of the corporation. A certificate setting forth the said resolution has been heretofore filed with the Secretary of State of the State of Delaware pursuant to the provisions of Section 151(g) of the General Corporation Law of the State of Delaware (the "Certificate of Designation").

4. The Board of Directors of the corporation has adopted the following resolution:

**RESOLVED**, that none of the authorized shares of Series A Preferred Stock are outstanding, and

**BE IT FURTHER RESOLVED**, that none of the Series A Preferred Stock will be issued pursuant to the Certificate of Designation, and

**BE IT FURTHER RESOLVED**, that all the shares of Preferred Stock designated as Series A Preferred Stock by the due filing of Certificate of Designation shall be returned to the status of authorized and unissued shares of Preferred Stock subject to Article FOURTH of the corporation's certificate of incorporation; and

**BE IT FURTHER RESOLVED**, that the proper officers of the corporation be, and each hereby is authorized and directed to file a certificate setting forth this resolution with the Secretary of State of the State of Delaware pursuant to the provisions of Section 151(g) of the General Corporation Law of the State of Delaware for the purpose of eliminating from the certificate of incorporation of the corporation all reference to the Series A Preferred Stock.

Executed on this 27th day of February 2020

\_\_\_\_\_  
/s/ Jon R. Levine  
Jon R. Levine  
Chief Financial Officer and Secretary





**ORIGINAL EXECUTION COPY**

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE SECURITIES MAY NOT BE SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER SAID ACT, OR AN OPINION OF COUNSEL, IN FORM, SUBSTANCE AND SCOPE REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT

**PROMISSORY NOTE**

\$3,742,500.00

New York, New York  
February 27, 2020

**FOR VALUE RECEIVED**, the undersigned, MARIMED INC., a Delaware corporation (the "Issuer") and each guarantor signatory hereto, hereby promise to pay to Navy Capital Green Fund, LP (the "Holder"), or its registered assigns, on the Maturity Date (as hereinafter defined) (or earlier as hereinafter provided) the principal sum of Three Million Seven Hundred Forty-Two Thousand Five Hundred Dollars (\$3,742,500.00), plus interest on the unpaid principal amount of this Note from time to time as provided herein. For the purposes of this Note, the term "Maturity Date" shall mean the eighteen (18) month anniversary of the date hereof, unless extended pursuant to the terms hereof.

1. The Loan.

As set forth in the Exchange Agreement dated as of the date hereof (the "Exchange Agreement"); terms used but not defined herein shall have the assigned meaning in the Exchange Agreement by and among Issuer and Holder, Issuer has requested, and Navy has agreed, that Navy will extend a loan (the "Loan") in the aggregate principal amount of Four Million Four Hundred Seventeen Thousand Five Hundred Dollars (\$4,417,500.00), pursuant to the terms hereof.

2. Interest.

- (a) The Issuer promises to pay interest on the principal amount of this Note at the rate of sixteen and a half percent (16.5%) per annum (the "Applicable Rate"). The Issuer shall pay accrued interest in arrears on the first day of each fiscal quarter, or, if any such date shall not be a Business Day, on the next succeeding Business Day to occur after such date (each date upon which interest shall be so payable, an "Interest Payment Date"), beginning on July 1, 2020. On the first Interest Payment Date, the Issuer shall pay interest accrued from (and including) the date of issuance of this Note, and on each subsequent Interest Payment Date, the Issuer shall pay interest accrued from (but excluding) the immediately preceding Interest Payment Date through and including such Interest Payment Date. Interest on this Note shall accrue from the date of issuance until repayment of the principal and all accrued interest in full. Interest shall accrue and be calculated on the basis of a year consisting of 360 days and the actual number of days elapsed since the last Interest Payment Date.
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- (b) Subject to applicable law, automatically while any Event of Default (as hereinafter defined) under Section 5(a)(i), Section 5(a)(ii), Section 5(a)(vi) or Section 5(a)(vii) exists, subject to any cure right, the principal amount of this Note shall bear interest, from the date of the occurrence of such Event of Default until such Event of Default is cured or waived, payable on demand in immediately available funds, at a rate that is two percent (2.0%) per annum in excess of the Applicable Rate (the “Default Rate”; the additional two percent (2.0%) per annum added to the Applicable Rate being referred to herein as the “Default Rate Margin”). Any election made pursuant to the immediately preceding sentence may be made retroactive to the date of the occurrence of the applicable Event of Default. In the event that any interest rate provided for herein shall be determined to be in excess of the maximum rate permitted under applicable law, such interest rate shall be computed at the highest rate permitted by applicable law. Any payment by the Issuer of any interest amount in excess of that permitted by applicable law shall be considered a mistake, with the excess being applied to the principal of this Note without prepayment premium or penalty.

3. Payment of Principal: Extension of Maturity Date.

The Issuer shall pay the principal amount due under this Note including all accrued interest on the Maturity Date; provided that the Maturity Date may be extended for six (6) months if at least five (5) Business Days prior to the Maturity Date, Holder has received (i) advanced notice of the Issuer’s desire to extend the Maturity Date; and (ii) payment of an extension fee in an amount equal to 2.5% of the face amount hereof; which such fee shall be paid in cash, non-refundable, and fully earned at the time of payment.

4. Voluntary Prepayment/Prepayments on Acceleration.

- (a) Subject to the provisions of this Section 4, at any time following the six-month anniversary of the issuance date of this Note, the Issuer may, at any time and from time, prepay all or a portion of the then outstanding principal amount of this Note, accrued and unpaid interest thereon and all other amounts due hereunder in cash, without premium or penalty.
- (b) The Issuer shall give written notice of voluntary prepayment of this Note or any portion thereof not less than five (5) Business Days (or such shorter period as agreed to by the Holder) prior to the date fixed for such prepayment; provided that such notice may be conditioned upon the incurrence of other loans or the effectiveness of other credit facilities, in each case that will prepay the Note in full.
- (c) All voluntary prepayments under this Section 4 shall include payment in cash of all accrued unpaid interest on the principal amount so prepaid and shall be applied first to payment of unpaid interest that has accrued at the Default Rate Margin, if any, then to payment of all other accrued and unpaid interest, and thereafter to principal.
- (d) All optional prepayments of the Note shall be applied in inverse order of maturity.

5. Defaults and Remedies.

(a) Events of Default.

The occurrence of any of the following conditions and/or events, whether voluntary or involuntary, by operation of Law or otherwise, shall constitute an “Event of Default”:

- (i) the Issuer shall fail to pay when due any principal, interest, premium, fee or other amount under any Transaction Document and in the case of any such amount other than principal, such failure continues for three (3) consecutive Business Days;
- (ii) the Issuer shall fail to observe or perform any covenant contained in the Exchange Agreement, this Note or any other Transaction Document (other than occurrences described in other provisions of this Section 5(a) for which a different grace or cure period is specified or for which no grace or cure period is specified) and such failure is not remedied or waived within twenty (20) days after the earlier of (A) receipt by any Issuer of written notice from Holder of such failure or (B) actual knowledge of the Issuer of such failure;
- (iii) any representation, warranty, certification or statement made by the Issuer or any Subsidiary in any Transaction Document or in any certificate, financial statement or other document required to be delivered pursuant to any Transaction Document is incorrect in any material respect (without duplication of any materiality qualification contained therein) when made (or deemed made);
- (iv) the Issuer shall fail to pay when due or within any applicable grace period any principal, interest or other amount on debt or the occurrence of any breach, default, condition or event with respect to (i) any Note issued pursuant to the Exchange Agreement or (ii) any other debt if the effect of such failure or occurrence is to cause or to permit the holder or holders of any such debt to cause debt or other liabilities having an aggregate principal amount in excess of \$500,000 to become or be declared immediately due and payable prior to its maturity;
- (v) the Issuer shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar Law or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally

to pay its debts as they become due, or shall take any action to authorize any of the foregoing;

- (vi) an involuntary case or other proceeding shall be commenced against any Issuer seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar Law or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days; or an order for relief shall be entered against the Issuer or any Subsidiary under the Federal bankruptcy laws (or similar insolvency laws under jurisdictions outside of the United States) as now or hereafter in effect;
- (vii) (A) the institution of any steps by any Person to terminate a pension plan if as a result of such termination the Issuer could reasonably be expected to be required to make a contribution to such pension plan, or could reasonably be expected to incur a liability or obligation to such pension plan, in either case in excess of \$100,000, (B) a contribution failure occurs with respect to any pension plan that would reasonably be expected to give rise to a Lien in excess of \$100,000 on the assets of the Issuer under Section 303 of ERISA or Section 430 of the Code, or (C) there shall occur any withdrawal or partial withdrawal from a multiemployer plan and the withdrawal liability is assessed against the Issuer in excess of \$100,000;
- (viii) one or more judgments, orders, decrees or arbitration awards for the payment of money (to the extent of the amount not paid or fully covered by indemnity or insurance or as to which the relevant insurance company has denied coverage) aggregating in excess of \$500,000 shall be rendered against the Issuer and Subsidiaries and either (A) enforcement proceedings shall have been commenced by any creditor upon any such judgments or orders or (B) there shall be any period of sixty (60) consecutive days during which a stay of enforcement of any such judgments, or orders, decrees or awards, by reason of a pending appeal, bond or otherwise, shall not be in effect;
- (ix) (i) the acquisition by any person, or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of thirty five percent (35%) or more of the outstanding shares of voting stock of the Company; or (ii) the majority of the Board of Directors of the Company fails to consist of directors that were members of such board of directors on the issuance date of this Note; or
- (x) any of the Transaction Documents (or any material provision thereof) shall for any reason fail to constitute the valid and binding agreement of the Issuer

(other than pursuant to the terms thereof), or the Issuer shall so assert in writing.

(b) Acceleration.

Upon the occurrence and during the continuance of an Event of Default, Holder may, (i) by written notice to Issuer declare this Note to be immediately due and payable including accrued interest on and all other amounts payable under, this Note and the other Transaction Documents shall be and become immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived, to the extent permitted by law, by Issuer and Issuer will pay the same; provided that in the case of any of the Events of Default specified in subsections (vi) or (vii) of Section 5(a) above, without any notice to any Issuer or any other act by Holder, this Note shall automatically become immediately due and payable including accrued interest on and all other amounts payable under, this Note and the other Transaction Documents, which such amounts shall be and become immediately due and payable without further demand, presentment, protest or notice of any kind, all of which are hereby waived, to the extent permitted by law, by Issuer and Issuer will pay the same.

6. Suits for Enforcement.

Upon the occurrence and during the continuation of any one or more Events of Default, the Holder may proceed to protect and enforce its rights hereunder by suit in equity, action at law or by other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in the Exchange Agreement, this Note or any other Transaction Document or in aid of the exercise of any power granted in the Exchange Agreement, this Note or any other Transaction Document, or may proceed to enforce the payment of this Note, or to enforce any other legal or equitable right of the Holder of this Note.

7. Remedies Cumulative.

No remedy herein conferred upon the Holder is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

8. Remedies Not Waived.

No course of dealing between any Issuer and the Holder (or any other holder of a Note) or any delay on the part of the Holder (or any other holder of a Note) in exercising any rights hereunder shall operate as a waiver of any right.

9. Transfer; Registration.

(a) The term "Holder" as used herein shall also include any registered transferee of this Note. Each transferee of this Note acknowledges that this Note has not been

registered under the Securities Act, and each Holder agrees that, prior to any proposed transfer of this Note, if such transfer is not made pursuant to either an effective registration statement under the Securities Act or an opinion of counsel, reasonably satisfactory in form and substance to the Issuer, that this Note may be sold without registration under the Securities Act, the Holder will, if requested by the Issuer, deliver to the Issuer:

- (i) an agreement by such transferee to the impression of the restrictive investment legend first set forth above; and
  - (ii) an agreement by such transferee to be bound by the provisions of this Section 9 relating to the transfer of such Note.
- (b) This Note is a registered instrument. The Issuer shall maintain a register (the "Note Register") in their principal offices for the purpose of registering the Note and any transfer thereof, which register shall reflect and identify, at all times, the ownership of any interest in the Note. Upon the issuance of this Note, the Issuer shall record the name of the initial purchaser of this Note in the Note Register as the first Holder. Upon surrender for registration of a transfer or exchange of this Note at the principal offices of the Issuer, the Issuer shall, at their expense, execute and deliver a new Note of like tenor and of a like aggregate principal amount, registered in the name of the Holder or a transferee or transferees. Every Note surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by written instrument of transfer duly executed by the Holder of such Note or such holder's attorney duly authorized in writing. The Issuer shall have no obligation hereunder to any Person other than the registered Holder of this Note.
- (c) This Note may be transferred or assigned by the Holder, in whole or in part, at any time. In the event that the Holder intends to transfer this Note to more than one transferee, the Issuer shall, in good faith, cooperate with the Holder to effectuate such a transfer and to issue replacement Notes in the appropriate denominations.

10. Replacement of Note.

On receipt by the Issuer of an affidavit of an authorized representative of the Holder stating the circumstances of the loss, theft, destruction or mutilation of this Note (and in the case of any such mutilation, on surrender and cancellation of such Note), in form and substance reasonably acceptable to the Issuer, the Issuer, at the Holder's expense, will promptly execute and deliver, in lieu thereof, a new Note of like tenor and amount. If required by the Issuer, such Holder must provide an agreement to indemnify the Issuer, which in the judgment of the Issuer, is sufficient to protect the Issuer from any loss that they may suffer if a lost, stolen or destroyed Note is replaced.

11. Covenants Bind Successors and Assigns.

All the covenants, stipulations, promises and agreements in this Note shall inure to the benefit of and be binding upon the successors and permitted assigns of the Issuer. Subject to the provisions of Section 9 hereof, the Holder may assign any of its respective rights

under this Note to any Person. No Issuer may assign any of its rights under this Note without the prior written consent of the Holder, any such purported assignment without such consent being null and void. No Person other than parties to the Transaction Documents and their successors and permitted assigns is intended to be a beneficiary of any of the Transaction Documents.

12. GOVERNING LAW.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW OF SUCH STATE OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK.

13. WAIVER OF JURY TRIAL; CONSENT TO JURISDICTION.

THE ISSUER AND THE HOLDER OF THIS NOTE HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS NOTE OR ANY AGREEMENTS OR TRANSACTIONS CONTEMPLATED HEREBY OR THE VALIDITY, PROTECTION, INTERPRETATION, OR ENFORCEMENT HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THIS NOTE, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THE ISSUER AND THE HOLDER OF THIS NOTE ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS TRANSACTION, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. THE ISSUER AND THE HOLDER OF THIS NOTE FURTHER WARRANTS AND REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH HAS KNOWINGLY AND VOLUNTARILY WAIVED ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THE TRANSACTION DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS NOTE. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT. THE ISSUER AND THE HOLDER OF THIS NOTE ALSO WAIVES ANY BOND OR SURETY OR SECURITY UPON SUCH BOND THAT MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF EACH. THE ISSUER AND THE HOLDER OF THIS NOTE HEREBY IRREVOCABLY AGREES THAT ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR ANY AGREEMENTS OR

TRANSACTIONS CONTEMPLATED HEREBY MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK AND HEREBY EXPRESSLY SUBMITS TO THE PERSONAL JURISDICTION AND VENUE OF SUCH COURTS FOR THE PURPOSES THEREOF AND EXPRESSLY WAIVES ANY CLAIM OF IMPROPER VENUE AND ANY CLAIM THAT SUCH COURTS ARE AN INCONVENIENT FORUM. THE ISSUER AND THE HOLDER OF THIS NOTE HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, SUCH SERVICE TO BECOME EFFECTIVE 10 DAYS AFTER SUCH MAILING.

14. Headings.

The headings in this Note are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

15. Severability.

If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

[Signature Page Follows]



IN WITNESS WHEREOF, each of the undersigned have caused this instrument to be duly executed.

**ISSUER:**

**MARIMED, INC.**

By: /s/ Jon R. Levine  
Jon R. Levine, Chief Financial Officer



**ORIGINAL EXECUTION COPY**

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE SECURITIES MAY NOT BE SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER SAID ACT, OR AN OPINION OF COUNSEL, IN FORM, SUBSTANCE AND SCOPE REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT

**PROMISSORY NOTE**

\$675,000.00

New York, New York  
February 27, 2020

**FOR VALUE RECEIVED**, the undersigned, MARIMED INC., a Delaware corporation (the "Issuer") and each guarantor signatory hereto, hereby promise to pay to Navy Capital Green Co-Invest Fund, LLC (the "Holder"), or its registered assigns, on the Maturity Date (as hereinafter defined) (or earlier as hereinafter provided) the principal sum of Six Hundred Seventy Five Thousand Dollars (\$675,000.00), plus interest on the unpaid principal amount of this Note from time to time as provided herein. For the purposes of this Note, the term "Maturity Date" shall mean the eighteen (18) month anniversary of the date hereof, unless extended pursuant to the terms hereof.

1. The Loan.

As set forth in the Exchange Agreement dated as of the date hereof (the "Exchange Agreement"; terms used but not defined herein shall have the assigned meaning in the Exchange Agreement by and among Issuer and Holder, Issuer has requested, and Navy has agreed, that Navy will extend a loan (the "Loan") in the aggregate principal amount of Four Million Four Hundred Seventeen Thousand Five Hundred Dollars (\$4,417,500.00), pursuant to the terms hereof.

2. Interest.

- (a) The Issuer promises to pay interest on the principal amount of this Note at the rate of sixteen and a half percent (16.5%) per annum (the "Applicable Rate"). The Issuer shall pay accrued interest in arrears on the first day of each fiscal quarter, or, if any such date shall not be a Business Day, on the next succeeding Business Day to occur after such date (each date upon which interest shall be so payable, an "Interest Payment Date"), beginning on July 1, 2020. On the first Interest Payment Date, the Issuer shall pay interest accrued from (and including) the date of issuance of this Note, and on each subsequent Interest Payment Date, the Issuer shall pay interest accrued from (but excluding) the immediately preceding Interest Payment Date through and including such Interest Payment Date. Interest on this Note shall accrue from the date of issuance until repayment of the principal and all accrued interest in full. Interest shall accrue and be calculated on the basis of a year consisting of 360 days and the actual number of days elapsed since the last Interest Payment Date.

- (b) Subject to applicable law, automatically while any Event of Default (as hereinafter defined) under Section 5(a)(i), Section 5(a)(ii), Section 5(a)(vi) or Section 5(a)(vii) exists, subject to any cure right, the principal amount of this Note shall bear interest, from the date of the occurrence of such Event of Default until such Event of Default is cured or waived, payable on demand in immediately available funds, at a rate that is two percent (2.0%) per annum in excess of the Applicable Rate (the “Default Rate”; the additional two percent (2.0%) per annum added to the Applicable Rate being referred to herein as the “Default Rate Margin”). Any election made pursuant to the immediately preceding sentence may be made retroactive to the date of the occurrence of the applicable Event of Default. In the event that any interest rate provided for herein shall be determined to be in excess of the maximum rate permitted under applicable law, such interest rate shall be computed at the highest rate permitted by applicable law. Any payment by the Issuer of any interest amount in excess of that permitted by applicable law shall be considered a mistake, with the excess being applied to the principal of this Note without prepayment premium or penalty.

3. Payment of Principal: Extension of Maturity Date.

The Issuer shall pay the principal amount due under this Note including all accrued interest on the Maturity Date; provided that the Maturity Date may be extended for six (6) months if at least five (5) Business Days prior to the Maturity Date, Holder has received (i) advanced notice of the Issuer’s desire to extend the Maturity Date; and (ii) payment of an extension fee in an amount equal to 2.5% of the face amount hereof; which such fee shall be paid in cash, non-refundable, and fully earned at the time of payment.

4. Voluntary Prepayment/Prepayments on Acceleration.

- (a) Subject to the provisions of this Section 4, at any time following the six-month anniversary of the issuance date of this Note, the Issuer may, at any time and from time, prepay all or a portion of the then outstanding principal amount of this Note, accrued and unpaid interest thereon and all other amounts due hereunder in cash, without premium or penalty.
- (b) The Issuer shall give written notice of voluntary prepayment of this Note or any portion thereof not less than five (5) Business Days (or such shorter period as agreed to by the Holder) prior to the date fixed for such prepayment; provided that such notice may be conditioned upon the incurrence of other loans or the effectiveness of other credit facilities, in each case that will prepay the Note in full.
- (c) All voluntary prepayments under this Section 4 shall include payment in cash of all accrued unpaid interest on the principal amount so prepaid and shall be applied first to payment of unpaid interest that has accrued at the Default Rate Margin, if any, then to payment of all other accrued and unpaid interest, and thereafter to principal.
- (d) All optional prepayments of the Note shall be applied in inverse order of maturity.

5. Defaults and Remedies.

(a) Events of Default.

The occurrence of any of the following conditions and/or events, whether voluntary or involuntary, by operation of Law or otherwise, shall constitute an “Event of Default”:

- (i) the Issuer shall fail to pay when due any principal, interest, premium, fee or other amount under any Transaction Document and in the case of any such amount other than principal, such failure continues for three (3) consecutive Business Days;
- (ii) the Issuer shall fail to observe or perform any covenant contained in the Exchange Agreement, this Note or any other Transaction Document (other than occurrences described in other provisions of this Section 5(a) for which a different grace or cure period is specified or for which no grace or cure period is specified) and such failure is not remedied or waived within twenty (20) days after the earlier of (A) receipt by any Issuer of written notice from Holder of such failure or (B) actual knowledge of the Issuer of such failure;
- (iii) any representation, warranty, certification or statement made by the Issuer or any Subsidiary in any Transaction Document or in any certificate, financial statement or other document required to be delivered pursuant to any Transaction Document is incorrect in any material respect (without duplication of any materiality qualification contained therein) when made (or deemed made);
- (iv) the Issuer shall fail to pay when due or within any applicable grace period any principal, interest or other amount on debt or the occurrence of any breach, default, condition or event with respect to (i) any Note issued pursuant to the Exchange Agreement or (ii) any other debt if the effect of such failure or occurrence is to cause or to permit the holder or holders of any such debt to cause debt or other liabilities having an aggregate principal amount in excess of \$500,000 to become or be declared immediately due and payable prior to its maturity;
- (v) the Issuer shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar Law or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally

to pay its debts as they become due, or shall take any action to authorize any of the foregoing;

- (vi) an involuntary case or other proceeding shall be commenced against any Issuer seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar Law or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days; or an order for relief shall be entered against the Issuer or any Subsidiary under the Federal bankruptcy laws (or similar insolvency laws under jurisdictions outside of the United States) as now or hereafter in effect;
- (vii) (A) the institution of any steps by any Person to terminate a pension plan if as a result of such termination the Issuer could reasonably be expected to be required to make a contribution to such pension plan, or could reasonably be expected to incur a liability or obligation to such pension plan, in either case in excess of \$100,000, (B) a contribution failure occurs with respect to any pension plan that would reasonably be expected to give rise to a Lien in excess of \$100,000 on the assets of the Issuer under Section 303 of ERISA or Section 430 of the Code, or (C) there shall occur any withdrawal or partial withdrawal from a multiemployer plan and the withdrawal liability is assessed against the Issuer in excess of \$100,000;
- (viii) one or more judgments, orders, decrees or arbitration awards for the payment of money (to the extent of the amount not paid or fully covered by indemnity or insurance or as to which the relevant insurance company has denied coverage) aggregating in excess of \$500,000 shall be rendered against the Issuer and Subsidiaries and either (A) enforcement proceedings shall have been commenced by any creditor upon any such judgments or orders or (B) there shall be any period of sixty (60) consecutive days during which a stay of enforcement of any such judgments, or orders, decrees or awards, by reason of a pending appeal, bond or otherwise, shall not be in effect;
- (ix) (i) the acquisition by any person, or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of thirty five percent (35%) or more of the outstanding shares of voting stock of the Company; or (ii) the majority of the Board of Directors of the Company fails to consist of directors that were members of such board of directors on the issuance date of this Note; or
- (x) any of the Transaction Documents (or any material provision thereof) shall for any reason fail to constitute the valid and binding agreement of the Issuer

(other than pursuant to the terms thereof), or the Issuer shall so assert in writing.

(b) Acceleration.

Upon the occurrence and during the continuance of an Event of Default, Holder may, (i) by written notice to Issuer declare this Note to be immediately due and payable including accrued interest on and all other amounts payable under, this Note and the other Transaction Documents shall be and become immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived, to the extent permitted by law, by Issuer and Issuer will pay the same; provided that in the case of any of the Events of Default specified in subsections (vi) or (vii) of Section 5(a) above, without any notice to any Issuer or any other act by Holder, this Note shall automatically become immediately due and payable including accrued interest on and all other amounts payable under, this Note and the other Transaction Documents, which such amounts shall be and become immediately due and payable without further demand, presentment, protest or notice of any kind, all of which are hereby waived, to the extent permitted by law, by Issuer and Issuer will pay the same.

6. Suits for Enforcement.

Upon the occurrence and during the continuation of any one or more Events of Default, the Holder may proceed to protect and enforce its rights hereunder by suit in equity, action at law or by other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in the Exchange Agreement, this Note or any other Transaction Document or in aid of the exercise of any power granted in the Exchange Agreement, this Note or any other Transaction Document, or may proceed to enforce the payment of this Note, or to enforce any other legal or equitable right of the Holder of this Note.

7. Remedies Cumulative.

No remedy herein conferred upon the Holder is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

8. Remedies Not Waived.

No course of dealing between any Issuer and the Holder (or any other holder of a Note) or any delay on the part of the Holder (or any other holder of a Note) in exercising any rights hereunder shall operate as a waiver of any right.

9. Transfer; Registration.

(a) The term "Holder" as used herein shall also include any registered transferee of this Note. Each transferee of this Note acknowledges that this Note has not been

registered under the Securities Act, and each Holder agrees that, prior to any proposed transfer of this Note, if such transfer is not made pursuant to either an effective registration statement under the Securities Act or an opinion of counsel, reasonably satisfactory in form and substance to the Issuer, that this Note may be sold without registration under the Securities Act, the Holder will, if requested by the Issuer, deliver to the Issuer:

- (i) an agreement by such transferee to the impression of the restrictive investment legend first set forth above; and
  - (ii) an agreement by such transferee to be bound by the provisions of this Section 9 relating to the transfer of such Note.
- (b) This Note is a registered instrument. The Issuer shall maintain a register (the "Note Register") in their principal offices for the purpose of registering the Note and any transfer thereof, which register shall reflect and identify, at all times, the ownership of any interest in the Note. Upon the issuance of this Note, the Issuer shall record the name of the initial purchaser of this Note in the Note Register as the first Holder. Upon surrender for registration of a transfer or exchange of this Note at the principal offices of the Issuer, the Issuer shall, at their expense, execute and deliver a new Note of like tenor and of a like aggregate principal amount, registered in the name of the Holder or a transferee or transferees. Every Note surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by written instrument of transfer duly executed by the Holder of such Note or such holder's attorney duly authorized in writing. The Issuer shall have no obligation hereunder to any Person other than the registered Holder of this Note.
- (c) This Note may be transferred or assigned by the Holder, in whole or in part, at any time. In the event that the Holder intends to transfer this Note to more than one transferee, the Issuer shall, in good faith, cooperate with the Holder to effectuate such a transfer and to issue replacement Notes in the appropriate denominations.

10. Replacement of Note.

On receipt by the Issuer of an affidavit of an authorized representative of the Holder stating the circumstances of the loss, theft, destruction or mutilation of this Note (and in the case of any such mutilation, on surrender and cancellation of such Note), in form and substance reasonably acceptable to the Issuer, the Issuer, at the Holder's expense, will promptly execute and deliver, in lieu thereof, a new Note of like tenor and amount. If required by the Issuer, such Holder must provide an agreement to indemnify the Issuer, which in the judgment of the Issuer, is sufficient to protect the Issuer from any loss that they may suffer if a lost, stolen or destroyed Note is replaced.

11. Covenants Bind Successors and Assigns.

All the covenants, stipulations, promises and agreements in this Note shall inure to the benefit of and be binding upon the successors and permitted assigns of the Issuer. Subject to the provisions of Section 9 hereof, the Holder may assign any of its respective rights



under this Note to any Person. No Issuer may assign any of its rights under this Note without the prior written consent of the Holder, any such purported assignment without such consent being null and void. No Person other than parties to the Transaction Documents and their successors and permitted assigns is intended to be a beneficiary of any of the Transaction Documents.

12. GOVERNING LAW.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW OF SUCH STATE OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK.

13. WAIVER OF JURY TRIAL; CONSENT TO JURISDICTION.

THE ISSUER AND THE HOLDER OF THIS NOTE HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS NOTE OR ANY AGREEMENTS OR TRANSACTIONS CONTEMPLATED HEREBY OR THE VALIDITY, PROTECTION, INTERPRETATION, OR ENFORCEMENT HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THIS NOTE, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THE ISSUER AND THE HOLDER OF THIS NOTE ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS TRANSACTION, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. THE ISSUER AND THE HOLDER OF THIS NOTE FURTHER WARRANTS AND REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH HAS KNOWINGLY AND VOLUNTARILY WAIVED ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THE TRANSACTION DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS NOTE. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT. THE ISSUER AND THE HOLDER OF THIS NOTE ALSO WAIVES ANY BOND OR SURETY OR SECURITY UPON SUCH BOND THAT MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF EACH. THE ISSUER AND THE HOLDER OF THIS NOTE HEREBY IRREVOCABLY AGREES THAT ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR ANY AGREEMENTS OR

TRANSACTIONS CONTEMPLATED HEREBY MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK AND HEREBY EXPRESSLY SUBMITS TO THE PERSONAL JURISDICTION AND VENUE OF SUCH COURTS FOR THE PURPOSES THEREOF AND EXPRESSLY WAIVES ANY CLAIM OF IMPROPER VENUE AND ANY CLAIM THAT SUCH COURTS ARE AN INCONVENIENT FORUM. THE ISSUER AND THE HOLDER OF THIS NOTE HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, SUCH SERVICE TO BECOME EFFECTIVE 10 DAYS AFTER SUCH MAILING.

14. Headings.

The headings in this Note are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

15. Severability.

If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the undersigned have caused this instrument to be duly executed.

**ISSUER:**

**MARIMED, INC.**

By: /s/ Jon R. Levine  
Jon R. Levine, Chief Financial Officer



## EXECUTION COPY

EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (this "Agreement"), dated as of February 27, 2020, is entered into by and among MariMed Inc., a Delaware corporation (the "Company"), and Navy Capital Green Management, LLC, a Delaware limited liability company, as discretionary investment manager of Navy Capital Green Fund, LP and Navy Capital Green Co-Invest Fund, LLC (such funds, collectively, "Navy").

RECITALS

WHEREAS, on or about November 5, 2018, Navy purchased from the Company Four Million Nine Hundred Eight Thousand Three Hundred Thirty Three (4,908,333) shares of newly issued common stock, par value \$0.001 per share ("Common Stock"), at a price of three dollars (3.00) per share, for aggregate consideration of Fourteen Million Seven Hundred Twenty-Five Thousand Dollars (\$14,725,000);

WHEREAS, the Company has requested, and Navy has agreed, that Navy (in the amounts set forth on Schedule 1) will extend a loan to the Company (the "Loan") in the aggregate principal amount of (\$4,417,500.00 (the "Loan Amount"), representing a sum of ninety cents (\$0.90) per Proffered Share (as defined below), against delivery of promissory notes (in the amounts set forth on Schedule 1) in substantially the form of Exhibit A attached hereto (each, a "Note" and collectively, the "Notes");

WHEREAS, in further consideration for the Loan, Navy (in the amounts set forth on Schedule 1) has requested, and the Company has agreed, to exchange Four Million Nine Hundred Eight Thousand Three Hundred Thirty Three (4,908,333) shares of Common Stock (each, a "Proffered Share", and collectively, the "Proffered Shares") for Four Million Nine Hundred Eight Thousand Three Hundred Thirty Three (4,908,333) shares (the "Exchange Shares") of Series B Convertible Preferred Stock (the "Series B Preferred Stock") containing the designations, preferences and rights set forth in the Certificate of Designations, Preferences and Special Rights of the Series B Convertible Preferred Stock and Qualifications, Limitations and Restrictions Thereof, a copy of which is attached hereto as Exhibit B (the "Series B Certificate of Designations"), to be filed with the Secretary of State of Delaware pursuant to the terms of the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, and subject to and on the terms and conditions set forth herein, the parties hereto hereby agree as follows:

Section 1. Exchange of the Proffered Shares.

(a) Navy, effective as of the date hereof (the "Closing Date") and subject to the performance by the Company of its obligations set forth in Section 1(b) and satisfaction of the other conditions set forth herein, hereby agrees to:

- (i) deliver to or at the direction of the Company the Loan Amount (in the amounts set forth on Schedule 1) by wire transfer in immediately available funds against delivery of the Notes; and
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(ii) exchange the Proffered Shares for the Exchange Shares by delivering to the Company stock powers duly endorsed in blank with respect to the Proffered Shares (and as soon as practicable following the date of this Agreement shall deliver original stock certificates in respect of the Proffered Shares) or otherwise directing the registrar and transfer agent of the Common Stock to deliver to the Company the Proffered Shares.

(b) The Company hereby agrees to:

(i) upon execution and delivery this Agreement, file the Series B Certificate of Designations with the Secretary of State of Delaware;

(ii) upon confirmation that the Series B Certificate of Designations has been so filed, shall issue and deliver to Navy stock certificates representing all of the Exchange Shares, registered in the names set forth on Schedule 1 and bearing the legend specified in Section 3(e);

(iii) deliver to Navy the duly executed original Notes;

(iv) deliver to Navy true, complete and correct copies of such agreements, schedules, exhibits, certificates, and other documents, as they shall have reasonably requested on or prior to the Closing Date in connection with or relating to the transactions contemplated hereby, all in form and substance reasonably satisfactory to Navy, including without limitation, a certificate from a responsible officer of the Company as to (A) the solvency of the Company and its Subsidiaries (after giving effect to the transactions contemplated by the Transaction Documents (as defined below)) on a consolidated basis; and the (B) non-existence of any Default or Event of Default (as such terms are defined in the Notes) or Material Adverse Effect (as defined below);

(v) pay, by wire transfer of immediately available funds (or deduction from the purchase price of the Notes), (A) a lender fee to Navy in an amount equal to 0.5% of the aggregate face amount of the Notes, and (B) fees and out-of-pocket expenses incurred by Navy to date and required to be paid by the Company pursuant to Section 9 hereof.

Section 2. The Company's Representations and Warranties. The Company hereby represents and warrants to, and covenants with the Navy as follows:

(a) Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company is qualified to do business as a foreign corporation in each jurisdiction in which such qualification is required, except where failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect. Each Subsidiary (as defined below) is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation and is qualified to do business as a foreign entity in each jurisdiction in which such qualification is required, except where failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect. For purposes of this Agreement, the term "Material Adverse Effect" means: (a) a material adverse effect on the condition (financial or otherwise), properties, assets (including intangible assets), business, operations or results of operations of the Company and the Subsidiaries, taken as a whole, or (b) a material adverse effect on the ability of the Company to perform its obligations under this

Agreement. Schedule 2(a) sets forth each direct or indirect subsidiary of the Company (each a “Subsidiary” and collectively, the “Subsidiaries”).

(b) Authorized Capital Stock. As of the date hereof and prior to the consummation of the transactions contemplated hereby, the Company’s authorized capital stock consists of (i) 500,000,000 shares of Common Stock, of which 218,213,973 shares are issued and outstanding, and (ii) 50,000,000 shares of preferred stock, par value \$0.001 per share, of which (A) 4,500,000 are designated Series A Convertible Preferred Stock (“Series A Preferred Stock”), and (B) 500,000 were previously designated Series A Preferred Stock, but having been issued and subsequently converted into Common Stock and cancelled, are now authorized but unissued shares of preferred stock of no designated class or series. Except as set forth on Schedule 2(b), the Company has not issued any shares since November 29, 2019, other than pursuant to the exercise of options or warrants issued under employee or director equity incentive plans or purchase plans approved by the Board of Directors of the Company (the “Board”) and outstanding on such date. The issued and outstanding shares of the Company’s Common Stock have been duly authorized and validly issued, are fully paid and nonassessable, have been issued in compliance with all federal and state securities laws and were not issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities. Except as set forth in Schedule 2(b), disclosed in the Company SEC Reports or as contemplated by this Agreement, the Company does not have outstanding any options to purchase, or any preemptive rights or other rights to subscribe for or to purchase, any securities or obligations convertible into, or any agreements or commitments to issue or sell, shares of capital stock or other securities of the Company and there are no agreements or commitments obligating the Company to repurchase, redeem, or otherwise acquire capital stock or other securities of the Company. Except as set forth in Schedule 2(b) or as contemplated by this Agreement, there are no agreements to which the Company is a party or by which it is bound with respect to the voting (including without limitation voting trusts or proxies), registration under the Securities Act of 1933, as amended (the “Securities Act”), or sale or transfer (including without limitation agreements relating to pre-emptive rights, rights of first refusal, rights of first offer, buy-sell rights, co-sale rights or “drag-along” rights) of any securities of the Company. Except as set forth in Schedule 2(b), with respect to each Subsidiary, (i) the Company owns 100% of each such Subsidiary’s capital stock or other equity securities, (ii) all the issued and outstanding shares of each such Subsidiary’s capital stock or other equity securities have been duly authorized and validly issued, are fully paid and nonassessable, have been issued in compliance with applicable federal and state securities laws, and were not issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities, (iii) there are no outstanding options to purchase, or any preemptive rights or other rights to subscribe for or to purchase, any securities or obligations convertible into, or any contracts or commitments to issue or sell, shares of any Subsidiary’s capital stock or other equity securities, and (iv) there are no agreements or commitments obligating any Subsidiary to repurchase, redeem, or otherwise acquire capital stock or other equity securities or other securities of the Company or any such Subsidiary. The Company does not directly or indirectly own, or have a right to acquire, any equity or similar interest in, or any interest convertible or exchangeable or exercisable for, any equity or similar interest in, any Person, other than the Subsidiaries. For purposes of this Agreement, the term “Person” shall mean any individual, partnership, company, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or agency or political subdivision thereof, or other entity.

(c) Issuance, Sale and Delivery of the Shares. When issued, delivered and paid for in accordance with the terms hereof, the Exchange Shares will be duly authorized, validly issued, fully paid and nonassessable, shall have the rights, preferences and limitations set forth in the Series B Certificate of Designations and shall be free and clear of all liens, claims, encumbrances and restrictions, except as imposed by applicable securities laws. Upon the conversion of the Series B Preferred Stock pursuant to the terms of the Series B Certificate of Designations, the Conversion Shares will be validly issued, fully paid and nonassessable, and shall be free and clear of all liens, claims, encumbrances and restrictions except as imposed by applicable securities laws. No further approval or authorization of the Board will be required for the issuance and sale of the Exchange Shares to be sold by the Company pursuant to the terms hereof or for the issuance of the Conversion Shares upon the conversion of the Series B Preferred Stock pursuant to the terms of the Series B Certificate of Designations.

(d) Due Execution, Delivery and Performance of the Transaction Documents. The Company has full legal right, corporate power and authority to authorize, execute and deliver this Agreement, the Series B Certificate of Designations, the Notes and all such other agreements, schedules, exhibits, certificates, and other documents contemplated hereby and thereby (collectively, the "Transaction Documents"), perform its obligations hereunder and thereunder and consummate the transactions contemplated hereby and thereby. Each of the Company's Subsidiaries has full legal right, corporate or other entity power and authority to authorize, execute and deliver the Notes and all such other Transaction Documents to which it is a party. The execution and delivery of the Transaction Documents, the performance of the Company and its Subsidiaries' obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly authorized by the Company and its Subsidiaries. The execution and performance of the Transaction Documents by the Company and the Subsidiaries and the consummation of the transactions therein contemplated will not (i) violate any provision of the organizational documents of the Company or its Subsidiaries, (ii) result in the creation of any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, restriction, adverse claim, interference or right of third party of any nature upon any material assets of the Company or its Subsidiaries pursuant to the terms or provisions of, or will not conflict with, result in the breach or violation of, or constitute, either by itself or upon notice or the passage of time or both, a default under, any material agreement, commitment, undertaking, mortgage, deed of trust, lease, franchise, license, indenture, permit or other instrument of any nature to which the Company or the Subsidiary is a party or by which the Company or its properties, or its Subsidiaries or its Subsidiaries' properties, may be bound or affected, or (iii) violate any statute or any authorization, judgment, decree, order, rule or regulation of any court or any regulatory body, administrative agency or other governmental or quasi-governmental body applicable to the Company or its Subsidiaries or any of their respective properties. No consent, approval, authorization, order, filing with, or action by or in respect of any court, regulatory body, administrative agency or other governmental or quasi-governmental body is required for the execution and delivery of the Transaction Documents or the consummation of the transactions contemplated thereby, other than such as have been made or obtained and except for compliance with the Blue Sky laws and federal securities laws. Upon their execution and delivery, and assuming the valid execution thereof by Navy, the Transaction Documents will constitute valid and binding obligations of the Company and its Subsidiaries, enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' and contracting parties' rights



generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) No Stockholder Approval. The Company is not required to seek or obtain any approvals of its stockholders in connection with entering into the Transaction Documents and the consummation of the transactions contemplated thereby.

(f) Valid Offering; No Tender or Exchange Offer. Assuming the representations and warranties of Navy contained herein are true and complete, the offer, exchange, and issuance of the Exchange Shares and the Notes is, and the issuance of the Conversion Shares will be, exempt from (i) the registration requirements of the Securities Act and will have been registered or qualified (or are exempt from registration and qualification) under the registration or qualification requirements of all applicable state securities Laws, and (ii) the reporting and other requirements of Section 14(d), Section 14(e) and Section 13(e) of the Exchange Act, and Rules 14D, 14E and 13e-4 promulgated thereunder. Neither the Company nor any Person acting on its behalf will knowingly take any action that would cause the loss of any such exemption.

(g) Litigation. There are no judicial, administrative, arbitral or mediation-related actions, suits, proceedings (public or private) or claims or proceedings by or before a Governmental Entity pending or, to the knowledge of the Company or its Subsidiaries, threatened that are reasonably likely to prohibit or restrain the ability of the Company or its Subsidiaries to enter into this Agreement or consummate the transactions contemplated hereby.

(h) No Disagreements with Accountants and Lawyers. There are no disagreements of any kind presently existing, or anticipated by the Company to arise, between the Company and any accountants and/or lawyers formerly or presently engaged by the Company. The Company is current with respect to fees owed to its accountants and, except for any past-due amounts that may be owed in the ordinary course of business, its lawyers.

(i) SEC Filings; Financial Statements.

(i) Except as set forth in Schedule 2(i)(i), the Company has filed all forms, reports and documents required to be filed with the United States Securities and Exchange Commission (the "SEC") since January 1, 2015, all of which are available to Navy on the website maintained by the SEC at <http://www.sec.gov> (the "SEC Website"). All such required forms, reports and documents (including those that the Company may file subsequent to the date hereof) are referred to herein collectively as the "Company SEC Reports". In addition, all documents filed as exhibits to the Company SEC Reports are available on the SEC Website. All documents required to be filed as exhibits to the Company SEC Reports have been so filed. As of their respective filing dates, the Company SEC Reports (A) complied in all material respects with the requirements of the Securities Act or the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), as the case may be, and the rules and regulations of the SEC thereunder applicable to such Company SEC Reports, and (B) did not at the time they were filed (or if amended or superseded by a subsequent filing prior to the date of this Agreement, then on the date of such subsequent filing) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements

therein, in the light of the circumstances under which they were made, not misleading. The Company is engaged only in the business described in the Company SEC Reports and the Company SEC Reports contain a complete and accurate description in all material respects of the Company's and the Subsidiary's business.

(ii) Each of the consolidated financial statements (including, in each case, any related notes thereto) contained in the Company SEC Reports (the "Company Financials") (A) complied as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto as of their respective dates, (B) was prepared in accordance with generally accepted accounting principles in the United States ("GAAP") applied on a consistent basis throughout the periods involved and consistent with each other (except as may be indicated in the notes thereto or, in the case of unaudited interim financial statements, as may be permitted by the SEC on Form 10-Q under the Exchange Act) and (C) fairly presented in all material respects the consolidated financial position of the Company and the subsidiaries as at the respective dates thereof and the consolidated results of operations and cash flows for the periods indicated, except that the unaudited interim financial statements were or are reasonably expected to be subject to normal and recurring year-end adjustments. There has been no material change in the Company's accounting policies except as described in the notes to the Company Financials. The balance sheet of the Company contained in the Company SEC Report for the quarter ended September 30, 2019, is hereinafter referred to as the "Company Balance Sheet." Except as set forth on Schedule 2(i)(ii), neither the Company nor any Subsidiary has incurred any obligations or liabilities (absolute, accrued, contingent or otherwise) of any nature required to be disclosed on a balance sheet or in the related notes to the consolidated financial statements prepared in accordance with GAAP which are, individually or in the aggregate, material to the business, operations, results of operations or condition (financial or otherwise) of the Company and the Subsidiaries taken as a whole, except liabilities (X) reflected on, reserved against, or disclosed in the notes to the Company Balance Sheet, or (Y) incurred since the date of the Company Balance Sheet in the ordinary course of business consistent with past practice.

(iii) The Company has heretofore made available to Navy complete and correct copies of any amendments or modifications, which have not yet been filed with the SEC but which are required to be filed, to agreements, documents or other instruments which previously had been filed by the Company with the SEC pursuant to the Securities Act or the Exchange Act.

(j) Absence of Certain Developments. Except as set forth on Schedule 2(j) or as expressly contemplated by this Agreement, since November 29, 2019 through the date hereof, (i) the Company has conducted business only in the ordinary course of its business, (ii) there has not been any Material Adverse Effect; (iii) the Company has not incurred any liabilities, obligations, claims or losses, contingent or otherwise, including debt obligations, other than in the ordinary course of business; (iv) other than pursuant to this Agreement, the Company has not declared or made any dividend or distribution of cash or property to its shareholders, purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock, or issued any equity securities other than with respect to transactions contemplated hereby; (v) the Company has not made any loan, advance or capital contribution to or investment in any person or entity;

(vi) the Company has not discharged or satisfied any lien or encumbrance or paid any obligation or liability (absolute or contingent), other than current liabilities paid in the ordinary course of business; (vii) the Company has not waived any rights of material value, whether or not in the ordinary course of business, or suffered the loss of any material amount of prospective business; and (viii) other than pursuant to this Agreement, the Company has not entered into any other transaction other than in the ordinary course of business, or entered into any other material transaction, whether or not in the ordinary course of business.

(k) Exchange Act Registration. The Company's Common Stock is registered pursuant to Section 12(b) of the Exchange Act. Except as set forth in Schedule 2(k), the Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act. No order ceasing or suspending trading in any securities of the Company or prohibiting the issuance and/or sale of the Common Stock is in effect and no proceedings for such purpose are pending or threatened.

(l) No Integrated Offering. The Company does not have any registration statement pending before the SEC or currently under the SEC's review.

Section 3. Navy's Representations and Warranties. Navy hereby represents and warrants to, and covenants with, the Company, as follows:

(a) Investment Representations and Covenants. Navy: (i) is knowledgeable, sophisticated and experienced in making, and is qualified to make, decisions with respect to investments in securities including the Exchange Shares and the Notes it is receiving hereunder and the Common Stock to be issued upon conversion thereof (the "Conversion Shares", and together with the Exchange Shares, the "Transaction Shares"); (ii) is acquiring the Transaction Shares and the Notes in the ordinary course of its business and for its own account for investment only and with no present intention of distributing any of such Transaction Shares or the Notes or any arrangement or understanding with any other persons regarding the distribution of such Transaction Shares or the Notes within the meaning of Section 2(11) of the Securities Act; (iii) will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of) any of the Transaction Shares or the Notes except in compliance with the Securities Act, applicable state securities laws and the respective rules and regulations promulgated thereunder; and (iv) is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act. Navy understands that its acquisition of the Transaction Shares and the Notes has not been registered under the Securities Act or registered or qualified under any state securities laws in reliance on specific exemptions therefrom, which exemptions may depend upon, among other things, the bona fide nature of its investment intent as expressed herein.

(b) Authorization: Validity of Transaction Documents. Navy (i) has full right, power, authority and capacity to enter into the Transaction Documents to which it is a party and to consummate the transactions contemplated thereby and has taken all necessary action to authorize the execution, delivery and performance of the Transaction Documents to which it is a party, and (ii) upon the execution and delivery of the Transaction Documents to which it is a party, assuming the valid execution thereof by the Company, the Transaction Documents to which it is a party shall constitute valid and binding obligations of Navy enforceable in accordance with their respective

terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' and contracting parties' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) No Conflict. The execution, delivery and performance of the Transaction Documents and the consummation of the transactions contemplated thereby by Navy will not result in any violation of, be in conflict with or constitute a default under, any law, statute, regulation, ordinance, material contract or agreement, instrument, judgment, decree or order to which Navy is a party or by which it is bound, except as would not reasonably be expected to have a material adverse effect on the ability of Navy to consummate the transactions contemplated hereby.

(d) No Legal, Tax or Investment Advice. Navy understands that nothing in the Transaction Documents, the SEC Documents or any other materials presented to Navy in connection with the exchange for the Transaction Shares or the issuance of the Notes constitutes legal, tax or investment advice. Navy has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its exchange for the Transaction Shares and the issuance of the Notes. Navy acknowledges that it has not relied on any representation or warranty from the Company or any other Person in making its investment or decision to invest in the Company, except as expressly set forth in this Agreement.

(e) Restrictive Legend. Navy understands that, until such time as a registration statement covering the Transaction Shares has been declared effective or the Transaction Shares may be sold pursuant to Rule 144 under the Securities Act without any restriction as to the number of securities as of a particular date that can then be immediately sold, the Transaction Shares shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of the certificates for the Transaction Shares):

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE SECURITIES MAY NOT BE SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER SAID ACT, OR AN OPINION OF COUNSEL, IN FORM, SUBSTANCE AND SCOPE REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT.”

#### Section 4. Covenants.

##### (a) General.

(i) At and from time to time after the Closing, at the request of any party hereto, the other parties shall execute and deliver such additional certificates, instruments, and other documents and take such other actions as such party may reasonably request in order to carry out the purposes of this Agreement.

(ii) Each party hereto shall promptly inform the other party of any communication from any regulatory body, agency, court, tribunal or governmental or quasi-governmental entity, foreign or domestic ("Governmental Entity") regarding any of the transactions contemplated by this Agreement. If any party or affiliate thereof receives a request for additional information or documentary material from any such Governmental Entity in respect of the transactions contemplated hereby, then such party will endeavor in good faith to make, or cause to be made, as soon as reasonably practicable and after consultation with the other party, an appropriate response in compliance with such request.

(b) Loan Covenants. From the date hereof until the Maturity Date (as defined in the Notes), the Company shall, and shall cause each of its Subsidiaries to:

(i) Promptly pay when due, all of their respective obligations and liabilities hereunder and under the Notes;

(ii) Provide immediate notice to Navy upon the Company or such Subsidiary obtaining knowledge of the existence of any Event of Default or Default (as defined in the Notes);

(iii) Promptly provide copies of all notices of the occurrence of a "Default", an "Event of Default" or other event described by terms of similar import under any other outstanding debt documents received by the Company or any of its Subsidiaries;

(iv) Promptly provide such other material information and data with respect to the operations, business affairs and financial condition of the Company or any Subsidiary as from time to time may be reasonably requested by Navy; and

(v) Promptly and duly take, execute, acknowledge and deliver, at the Company's expense, all such further acts, documents and assurances as may from time to time be necessary or desirable or as Navy may from time to time reasonably request in order to carry out the intent and purposes of the Transaction Documents and the transactions contemplated thereby.

(c) Confidentiality. Navy shall and shall cause its representatives to, keep confidential and not divulge any information provided to Navy pursuant to Section 4(b)(iii) and (iv); provided, that nothing herein shall prevent Navy from disclosing such information (a) upon the request or order of any Governmental Entity having jurisdiction over Navy, (b) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests, (c) to the extent necessary in connection with the exercise of any remedy under any of the Transaction Documents, or (d) to its representatives that, in Navy's reasonable judgment need to know such information, provided, further, that in the case of clauses (a), (b) or (c), Navy shall notify the Company of the proposed disclosure as far in advance of such disclosure as practicable and use reasonable efforts to ensure that any such information so disclosed is accorded confidential treatment, when and if available. The foregoing restrictions shall not apply to any such information that (i) is or becomes generally available to the public other than as a result of a disclosure by Navy or any of its representatives in violation of this Agreement; (ii) is or becomes available to Navy or any of its representatives on a non-confidential basis prior to its disclosure to Navy or its

Representatives, (iii) is or has been independently developed or conceived by Navy without use of the Company's information or (iv) becomes available to Navy or its representatives on a non-confidential basis from a source other than the Company or its representatives, which source is not known by Navy to be bound by a confidentiality agreement with Navy.

(d) Public Announcements. The Company and Navy will consult with each other and will mutually agree (the agreement of each party not to be unreasonably withheld) upon the content and timing of any press release or other public statement (including pursuant to Section 14 of the Exchange Act) in respect of the transactions contemplated hereby and shall not issue any such press release or make any such public statement prior to such consultation and agreement, except as may be required by applicable law.

(e) Reservation of Common Stock. Following the Closing, the Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of providing for the conversion of the Series B Preferred Stock, such number of shares of Common Stock as shall from time to time equal the number of shares sufficient to permit the full conversion of the Series B Preferred Stock issued pursuant to this Agreement in accordance with the terms of the Series B Certificate of Designations.

(f) Elimination of Series A Preferred Stock. Promptly following the date of this Agreement, the Company shall amend its Certificate of Incorporation to eliminate the Series A Preferred Stock.

Section 5. Survival. The representations and warranties contained herein or in any certificate or other writing delivered pursuant hereto or in connection herewith shall survive the Closing until the eighteen (18) month anniversary of the Closing and any investigation or finding made by or on behalf of Navy or the Company; provided that the representations and warranties in Sections Section 2(a), (b), (c), and (d) shall survive indefinitely or until the latest date permitted by law. The covenants and agreements contained herein or in any certificate or other writing delivered pursuant hereto or in connection herewith shall survive the Closing indefinitely or for the shorter period explicitly specified herein or therein. Notwithstanding the preceding sentences, any breach of representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding sentences, if written notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

Section 6. Broker's Fee. Each of the parties hereto hereby represents to the other that, on the basis of any actions and agreements by it, there are no brokers or finders entitled to compensation in connection with the transactions contemplated hereby.

Section 7. Indemnification.

(a) General. Each party understands and acknowledges that the others are relying upon the representations and warranties made by such party herein and, thus, hereby agrees to indemnify the other party and its affiliates and its and their respective shareholders, members, directors, managers, officers, employees, agents, attorneys and successors and assigns and agrees to hold

each of them harmless from and against any and all loss, damage, liability, deficiency, cost or expense, and any and all actions, suits, claims, or legal, administrative, arbitration, governmental or other procedures or investigation against any such Person (including by or against third parties), in each case including reasonable attorney's fees, that they or any of them may suffer, sustain or incur arising or resulting from, by reason of, or in connection with any misrepresentation or breach of representation, warranty, covenant or other agreement made by such party under this Agreement.

(b) Investigation; Waiver at Closing. The right to indemnification, payment of damages or other remedy based on such representations, warranties, covenants, and obligations will not be affected by (i) any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation, or (ii) the waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation in connection with the closing of the transactions contemplated by the Transaction Documents.

(c) Limitation. In no event shall any indemnification payments from the Company exceed the Loan Amount and, in the absence of fraud or willful misconduct, no claim for indemnification may be brought against the Company under this Section 7 unless all claims for indemnification, in the aggregate, total more than \$100,000. In no event shall any indemnification payments from Navy exceed \$100,000 and, in the absence of fraud or willful misconduct, no claim for indemnification may be brought against Navy under this Section 7 unless all claims for indemnification, in the aggregate, total more than \$10,000.

(d) Exclusive Remedy. Except for the assertion of any claim based on fraud or willful misconduct, the remedies provided in this Section 7 shall be the sole and exclusive legal remedies of the parties with respect to this Agreement and the transactions contemplated hereby. The parties further acknowledge and agree that the foregoing does not limit (i) the parties' remedies for payments owed by the Company under or with respect to the Notes or the Series B Certificate of Designations, or (ii) the parties' ability to seek specific performance, injunctive relief or other equitable remedy.

Section 8. Assignment. This Agreement and the rights and obligations hereunder shall not be assigned, delegated, or otherwise transferred (whether by operation of law, by contract, or otherwise) without the prior written consent of the other parties hereto. The Company shall execute such acknowledgements of such assignments and collateral assignments in such forms as the other parties may from time to time reasonably request. Any attempted assignment, delegation, or transfer in violation of this Section 8 shall be void and of no force or effect.

Section 9. Expenses. Upon the Closing, the Company shall reimburse Navy for legal fees incurred on or prior to the date hereof in connection with the transactions contemplated hereby up to a maximum of \$30,000. In addition, from and after the date hereof, in the event that the Company violates any term or condition of any of the Transaction Documents, then the Company shall pay or reimburse upon demand Navy for all reasonable out-of-pocket costs and expenses

incurred by Navy in connection with the enforcement of its rights under the Transaction Documents, including but not limited to reasonable legal fees.

Section 10. Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be mailed by first-class registered or certified airmail, facsimile (with receipt confirmed by telephone) or nationally recognized overnight express courier postage prepaid, and shall be deemed given when so mailed and shall be delivered as addressed as follows:

- (a) if to the Company, to:

Marimed Inc.  
10 Oceana Way  
Norwood, MA 020622  
Attention: Jon Levine  
Telephone: (781) 559-8713  
Email: jlevine@marimedadvisors.com

with copies to:

Kurzman Eisenberg Corbin & Lever, LLP  
One North Broadway, 12<sup>th</sup> Floor  
White Plains, NY 10601  
Attention: Kenneth S. Rose, Esq.  
Telephone: (914) 285-9800  
Email: krose@kelaw.com

or to such other person at such other place as the Company shall designate in writing; and

- (b) if to Navy, to:

c/o Navy Capital, LLC  
747 Third Avenue  
35th Floor  
New York, New York 10017  
Attn: Jeffrey Schultz, Esq.  
E-mail: jeff@navycapital.com

with a copy to:

Feuerstein Kulick LLP  
810 Seventh Avenue, 34<sup>th</sup> Floor  
New York, New York 10019  
Attn: Todd S. Cohen, Esq.  
E-mail: todd@dfmklaw.com

or at such other address as may have been furnished to the Company in writing.



Section 11. Governing Law; Consent to Jurisdiction.

(a) This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed, interpreted and enforced in accordance with, the laws of the State of New York.

(b) Each party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the federal and state courts sitting in the County, City, and State of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts. Each party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each party irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Section 11(b). Each party irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

(d) Each party irrevocably consents to service of process in the manner provided for notices in Section 10. Nothing in this Agreement shall affect the right of any party to serve process in any other manner permitted by law.

*Section 12. Waiver of Jury Trial. Each of the parties hereto hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby.*

Section 13. Changes. This Agreement may not be modified or amended except pursuant to an instrument in writing signed by each of the parties hereto.

Section 14. Severability. In case any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

Section 15. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other parties. The submission of a signature page transmitted by facsimile (or other electronic transmission, including pdf) shall be considered as an "original" signature page for purposes of this Agreement.

Section 16. Entire Agreement. This Agreement, the attached Exhibits and Schedules, and the other agreements, documents and instruments contemplated hereby and referenced herein contain the entire understanding of the parties, and there are no further or other agreements or understanding, written or oral, in effect between the parties relating to the subject matter hereof.

Section 17. Interpretation.

(a) Each of the parties hereto acknowledges that this Agreement has been prepared jointly by the parties hereto, and shall not be strictly construed against any party. In this Agreement and in the Exhibits hereto, except to the extent that the context otherwise requires:

(b) the headings are for convenience of reference only and shall not affect the interpretation of this Agreement;

(c) defined terms include the plural as well as the singular and vice versa;

(d) words importing gender include all genders;

(e) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been or may from time to time be amended, extended, re-enacted or consolidated and to all statutory instruments or orders made under it;

(f) any reference to a "day" or a "business day" shall mean the whole of such day, being the period of 24 hours running from midnight to midnight;

(g) references to Articles, Sections, subsections, clauses, Annexes and Exhibits are references to Articles, Sections, subsections and clauses of, and Annexes and Exhibits to, this Agreement;

(h) the words "including" and "include" and other words of similar import shall be deemed to be followed by the phrase "without limitation"; and

(i) unless otherwise specified, references to any party to this Agreement or any other document or agreement shall include its successors and permitted assigns.

*[Signature Page Follows]*

IN WITNESS WHEREOF, this Exchange Agreement has been executed and delivered as of the date and year first above written by the undersigned, or a duly authorized officer or representative thereof, as the case may be.

MARIMED INC.

By: /s/ Jon R. Levine  
Name: Jon R. Levine  
Title: Chief Financial Officer

NAVY CAPITAL GREEN FUND, LP and  
NAVY CAPITAL GREEN CO-INVEST FUND, LLC

By: Navy Capital Green Management, LLC,  
as discretionary fund manager

By: /s/ Jeffrey Schultz  
Name: Jeffrey Schultz  
Title: General Counsel

SCHEDULE 1

<b>Navy Fund</b>	<b>Preferred Shares (Common Stock)</b>	<b>Loan/Note Amount</b>	<b>Exchange Shares (Series B Preferred Stock)</b>
Navy Capital Green Fund, LP	1,333,333	\$3,742,500	1,333,333
Navy Capital Green Co-Invest Fund, LLC	3,575,000	\$675,000	3,575,000
<b>TOTAL</b>	<b>4,908,333</b>	<b>\$4,417,500</b>	<b>4,908,333</b>

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