FORM 1-A

Offering statement under Regulation A

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FILER

Prime Harvest Inc.
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SIC: **0100** Agricultural production-crops

Mailing Address
1210 OLIVE STREET
RAMONA CA 92064

Business Address
1210 OLIVE STREET
RAMONA CA 92064
702-350-9699

An offering statement pursuant to Regulation A relating to these securities has been filed with the United States Securities and Exchange Commission (the "SEC"). Information contained in this preliminary offering circular is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted before the offering statement filed with the SEC is qualified. This preliminary offering circular shall not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sales of these securities in any state in which such offer, solicitation or sale would be unlawful before registration or qualification under the laws of any such state. We may elect to satisfy our obligation to deliver a final offering circular by sending you a notice within two business days after the completion of our sale to you that contains the URL where the final offering circular or the offering statement in which such final offering circular was filed may be obtained.

Preliminary Offering Circular
May 10, 2022

Prime Harvest, Inc.
1210 Olive St.
Ramona, California 92064
619-607-7234

10,000,000 Shares of Common Stock
Minimum Purchase: 100 shares of Common Stock

Prime Harvest, Inc., a Delaware corporation (the "Company" or "Prime Harvest"), is offering up to 10,000,000 shares ("Shares") of its common stock, par value $0.0001 per share ("Common Stock"), with an aggregate amount of $42,000,000 (the "Maximum Offering" or "Maximum Offering Amount"), in a "Tier 2 Offering" under Regulation A (the "Offering"). The initial public offering price per share of Common Stock is $4.20 per share. There is no minimum number of Shares that needs to be sold in order for funds to be released to the Company and for this Offering to close. The minimum investment amount per investor is $420.00 (100 shares of Common Stock) (the "Minimum Offering" or "Minimum Offering Amount"); however, we can waive the minimum purchase requirement on a case to case basis at our sole discretion. The subscriptions, once received, are irrevocable. This Offering is being conducted on a "best efforts" basis which means there is no guarantee that any minimum amount will be sold.

The Company will publicly market the Offering using general solicitation through methods that include emails to potential investors, the internet, social media, and any other means of widespread communication. Rialto Markets LLC has agreed to act as placement agent to assist in connection with this Offering. The placement agent is not purchasing or selling any securities offered by this Offering Circular, nor is it required to arrange the purchase or sale of any specific number or dollar amount of securities, but has agreed to use its best efforts to arrange for the sale of all of the securities offered hereby. In addition, the placement agent may engage other brokers to sell the securities on its behalf.

This Offering Circular will be furnished to prospective investors via download 24 hours per day, 7 days per week on the Company's website at https://primeharvestinc.com/invest.

See also "*Plan of Distribution*" in this Offering Circular. None of the Shares offered are being sold by present security holders of the Company.

We expect to commence the sale of the Shares as of the date on which the Offering Circular of which this Offering Circular is a part is declared qualified by the SEC. Shares will be offered on a continuous basis until either (1) the date upon which the Company confirms that it has received in the bank account gross proceeds of $42,000,000 in deposited funds; (2) the expiration of 365 days from the date of this Offering Circular unless extended in its sole discretion by the Company; or (3) the date upon which a determination is made by the Company to terminate the Offering in its sole discretion (a "Termination Date").

The Company has engaged East West Bank (the "Escrow Agent") to hold funds tendered by investors. We may hold a series of closings at which we receive the funds from the Escrow Agent and issue the shares of Common Stock to investors. This Offering will terminate at the earlier of the date at which the Maximum Offering Amount has been sold, and the date at which the Offering is earlier terminated by the Company, in its sole discretion. At least every 6 months after this Offering has been qualified by the United States Securities and Exchange Commission (the "Commission"), if the Offering is still ongoing at such time, the Company will file a post-qualification amendment to include the Company's recent financial statements. The Offering is being conducted on a best-efforts basis. The Company may undertake one or more closings on a rolling basis. After each closing, funds tendered by investors will be available to the Company.

No sales of Shares will be made before the qualification of the Offering statement by the SEC in the United States. All Shares will be initially offered in all jurisdictions at the same price that is set forth in this Offering Circular.

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012, or the "JOBS Act," and, as such, have elected to comply with certain reduced public company reporting requirements. See "*Offering Summary—Emerging Growth Company Status*."

Shares Offered by Us	**Number of Shares**	**Price to Public**	**Underwriting Discounts and Commissions**	**Proceeds, Before Expenses, to Us** [(2)]
Per Share:	1	$ 4.20	$ 0.01[(1)]	$ 0.99
Total Maximum [(2)]	10,000,000	$42,000,000.00	$ 430,000[(1)]	$ 41,570,000

(1) The Company has engaged Rialto Markets LLC ("Rialto") to act as a placement agent for this Offering and to perform certain administrative and technology-related functions as set forth in "Plan of Distribution." The Company will pay a cash commission of 1% to Rialto on sales of the Common Stock (a maximum of $420,000). FINRA fees will also be paid by the Company. The Company also engaged Rialto as a consultant to provide ongoing general consulting services relating to the Offering such as coordination with third party vendors and general guidance with respect to the Offering. The Company will pay a onetime Consulting Fee of $10,000 which will be due and payable 30 days after FINRA issues a No Objection Letter.

(2) Does not include estimated offering expenses including, without limitation, legal, accounting, auditing, other professional, printing, advertising, travel, marketing, blue-sky compliance and other expenses of this Offering. We estimate the total expenses of this Offering will be approximately $[ ], not including commissions or state filing fees.

Generally, no sale may be made to you in this Offering if the aggregate purchase price you pay is more than 10% of the greater of your annual income or net worth. Different rules apply to accredited investors and non-natural persons. Before making any representation that your investment does not exceed applicable thresholds, we encourage you to review Rule 251(d)(2)(i)(C) of Regulation A. For general information on investing, we encourage you to refer to www.investor.gov.

An investment in the Shares is subject to certain risks and should be made only by persons or entities able to bear the risk of and to withstand the total loss of their investment. Prospective investors should carefully consider and review the RISK FACTORS beginning on page 7.

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, OR THE COMMISSION, DOES NOT PASS UPON THE MERITS OR GIVE ITS APPROVAL TO ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION. THE COMMISION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED ARE EXEMPT FROM REGISTRATION.

This Offering Circular is following the offering circular format described in Part II of Form 1-A.

Sales of these securities will commence on approximately _____, 2022.

ITEM 2: TABLE OF CONTENTS

We have not authorized anyone to provide any information other than that contained or incorporated by reference in this Offering Circular prepared by us or to which we have referred you. We do not take responsibility for and can provide no assurance as to the reliability of, any other information that others may give you. This Offering Circular is an offer to sell only the Shares offered hereby but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Offering Circular is current only as of its date, regardless of the time of delivery of this Offering Circular or any sale of Shares.

For investors outside the United States: We have not done anything that would permit this Offering or possession or distribution of this Offering Circular in any jurisdiction where action for that purpose is required, other than the United States. You are required to inform yourselves about and to observe any restrictions relating to this Offering and the distribution of this Offering Circular.

MARKET AND INDUSTRY DATA AND FORECASTS

Certain market and industry data included in this Offering Circular is derived from information provided by third-party market research firms or third-party financial or analytics firms that we believe to be reliable. Market estimates are calculated by using independent industry publications, government publications and third-party forecasts in conjunction with our assumptions about our markets. We have not independently verified such third-party information. The market data used in this Offering Circular involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we are not aware of any misstatements regarding any market, industry or similar data presented herein, such data involves risks and uncertainties and are subject to change based on various factors, including those discussed under the headings "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in this Offering Circular. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Certain data are also based on our good faith estimates, which are derived from management's knowledge of the industry and independent sources. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. Statements as to our market position are based on market data currently available to us. While we are not aware of any misstatements regarding the industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors" in this Offering Circular. Similarly, we believe our internal research is reliable, even though such research has not been verified by any independent sources.

TRADEMARKS AND COPYRIGHTS

We own or have rights to trademarks or trade names that we use in connection with the operation of our business, including our corporate names, logos and website names. In addition, we own or have the rights to copyrights, trade secrets and other proprietary rights that protect the content of our products and the formulations for such products. This Offering Circular may also contain trademarks, service marks and trade names of other companies, which are the property of their respective owners. Our use or display of third parties' trademarks, service marks, trade names or products in this Offering Circular is not intended to, and should not be read to, imply a relationship with or endorsement or sponsorship of us. Solely for convenience, some of the copyrights, trade names and trademarks referred to in this Offering Circular are listed without their ©, ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to our copyrights, trade names and trademarks. All other trademarks are the property of their respective owners.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offering Circular contains certain forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "potential," "intend," "expect," "outlook," "seek," "anticipate," "estimate," "approximately," "believe," "could," "project," "predict," or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain financial and operating projections or state other forward-looking information. Our ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although we believe that the expectations reflected in our forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth or anticipated in our forward-looking statements. Factors that could have a material adverse effect on our forward-looking statements and upon our business, results of operations, financial condition, funds derived from operations, cash available for dividends, cash flows, liquidity and prospects include, but are not limited to, the factors referenced in this Offering Circular, including those set forth below.

When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this Offering Circular. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our views as of the date of this Offering Circular. The matters summarized below and elsewhere in this Offering Circular could cause our actual results and performance to differ materially from those set forth or anticipated in forward-looking statements. Accordingly, we cannot guarantee future results or performance. Furthermore, except as required by law, we are under no duty to, and we do not intend to, update any of our forward-looking statements after the date of this Offering Circular, whether as a result of new information, future events or otherwise.

STATE LAW EXEMPTION AND PURCHASE RESTRICTIONS

Our Shares are being offered and sold only to "qualified purchasers" (as defined in Regulation A under the Securities Act). As a Tier 2 offering pursuant to Regulation A under the Securities Act, this Offering is exempt from state law "Blue Sky" review, subject to meeting certain state filing requirements and complying with certain anti-fraud provisions, to the extent that our Shares offered hereby are offered and sold only to "qualified purchasers" or at a time when our Shares are listed on a national securities exchange. "Qualified purchasers" include: (i) "accredited investors" under Rule 501(a) of Regulation D and (ii) all other investors so long as their investment in our Shares does not represent more than 10% of the greater of their annual income or net worth (for natural persons), or 10% of the greater of annual revenue or net assets at fiscal year-end (for non-natural persons). Accordingly, we reserve the right to reject any investor's subscription in whole or in part for any reason, including if we determine in our sole and absolute discretion that such investor is not a "qualified purchaser" for purposes of Regulation A.

To determine whether a potential investor is an "accredited investor" for purposes of satisfying one of the tests in the "qualified purchaser" definition, the investor must be a natural person who:

1. has a net worth, or joint net worth with the person's spouse or spousal equivalent, that exceeds $1,000,000 at the time of the purchase, excluding the value of the primary residence of such person; *or*

2. had earned income exceeding $200,000 in each of the two most recent years or joint income with a spouse or spousal equivalent exceeding $300,000 for those years and has a reasonable expectation of reaching the same income level in the current year; *or*

3. is holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status; *or*

4. is a "family client," as defined by the Investment Advisers Act of 1940, of a family office meeting the requirements in Rule 501(a) of Regulation D and whose prospective investment in the issuer is directed by such family office pursuant to Rule 501(a) of Regulation D.

If the investor is not a natural person, different standards apply. See Rule 501 of Regulation D for more details.

For purposes of determining whether a potential investor is a "qualified purchaser," annual income and net worth should be calculated as provided in the "accredited investor" definition under Rule 501 of Regulation D. In particular, net worth in all cases should be calculated excluding the value of an investor's home, home furnishings and automobiles.

ITEM 3: SUMMARY AND RISK FACTORS

This summary of the Offering Circular highlights material information concerning our business and this offering. This summary does not contain all of the information that you should consider before making your investment decision. You should carefully read the entire Offering Circular, including the information presented under the section entitled "Risk Factors" and the financial data and related notes, before making an investment decision. This summary contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from future results contemplated in the forward-looking statements as a result of factors such as those set forth in "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements."

In this Offering Circular, unless the context indicates otherwise, "Prime Harvest," the "Company," "we," "our," "ours" or "us" refer to Prime Harvest, Inc., a Delaware corporation, and its subsidiaries.

Overview

Prime Harvest, Inc. is an experienced and technologically innovative company that delivers distinctive brands, products and exceptional customer experiences to medical and recreational cannabis consumers. Operating through its San Diego County licensed, Ramona, California JAXX CANNABIS dispensary and delivery service, the Company has evolved into a premium branded destination whether in store or online. The Company plans on adding an indoor 40,000 sq. ft., state of the art genetics, cultivation and processing facility in 2022 to its Ramona headquarters location. The Company also has a City of La Mesa dispensary license and is negotiating for a favorable location with an expected opening in 2022 and will continue to strategically license and/or acquire dispensaries consistent

with our strategies. The Company is developing new technologies that support California retail and state-wide delivery, express pick-up, and compliant e-commerce, furnishing a true all-in-one delivery management software that offers solutions entailing E-commerce, POS, CRM & Loyalty, SMS Marketing, and delivery logistics in one platform.

The Company intends to use the latest agronomic technology and sustainable techniques by leveraging its highly experienced management, cultivation team and strategic relationships with experienced suppliers to grow and sell high-quality branded cannabis related products through a variety of different channels. The Company is led by an executive team that has significant experience in the cannabis industry with a leadership team that is able to harness the true potential of the Company's ability to become an industry leader in the state. See "*Management- Executive Officers and Directors*" for more information.

Prime Harvest Inc.'s Southern California operations, which are conducted through its retail brand Olive Tree Wellness Center LLC, d/b/a JAXX Cannabis, a subsidiary of the Company, include one (1) of only four (4) retail licenses in San Diego County. Operating as JAXX Cannabis in the city of Ramona, CA, the licensed dispensary has approximately 10,000 registered clients and is permitted to deliver to the entire County of San Diego.

Olive Tree Wellness Center LLC license (San Diego County CUP #M-0004) is, for California licensing purposes, owned only 50% by the Company, and the Company is in the process of acquiring the remainder 50%, from Mr. Renny Bowden for $1,300,000. The Company's City of La Mesa dispensary license (La Mesa CUP #317-85) is, for California licensing purposes, owned 100% by the Company.

Corporate Information

The Company incorporated in the State of Delaware in August of 2020. Our principal executive offices are located at 1210 Olive Street, Ramona, California 92064 and our corporate telephone number is 619-206-5274.

Our corporate website is www.primeharvestinc.com. The information contained on or that can be accessed through our website is not incorporated by reference into this Offering Circular and you should not consider information on our website to be part of this Offering Circular or in deciding whether to purchase our common stock.

THE OFFERING

Securities Being Offered by the Company	10,000,000 shares of common stock, par value $0.0001 per share (each a "Share" and collectively, the "Shares"), on a "best efforts" basis for up to $42,000,000 of gross proceeds. Purchasers of the Shares will become our common stockholders.
Offering Price per Common Stock by the Company	The initial public offering price per share of Common Stock is $4.20 per Share.
Distribution	There is no minimum amount we are required to raise from the shares of Common Stock being offered hereby. There is no guarantee that we will sell any of the shares of Common Stock being offered in this Offering. Additionally, there is no guarantee that this Offering will successfully raise enough funds to implement our Company's business plan or pay for the expenses of this Offering. Rialto Markets LLC ("Rialto") has agreed to act as placement agent to assist in connection with this Offering. The placement agent is not purchasing or selling any securities offered by this Offering Circular, nor is it required to arrange the purchase or sale of any specific number or dollar amount of securities, but has agreed to use its best efforts to arrange for the sale of all of the securities offered hereby. In addition, the placement agent may engage other brokers to sell the securities on its behalf. Rialto will receive compensation for sales of the shares offered and sold through its platform at a rate of 1% of the gross proceeds.

Minimum Investment Amount	The minimum investment amount per investor is $420 (100 shares of Common Stock); however, we can waive the minimum purchase requirement on a case to case basis in our sole discretion. The subscriptions, once received, are irrevocable. The Company may not be able to sell the Maximum Offering Amount. The Company will conduct one or more closings on a rolling basis as funds are received from Investors on a "best efforts basis". Funds tendered by Investors will be kept in a bank account at East West Bank until the next closing after they are received by the bank at each closing, with respect to subscriptions accepted by the Company, funds held in the bank account will be distributed to the Company, and the associated Shares will be issued at that time to the investors that purchased such Shares. Investors may not withdraw their funds tendered from the bank account unless the Offering is terminated without a closing having occurred. Investors are not entitled to any refund of funds transmitted by any means to the Company, or to the bank account, for any reason, unless the investor does not clear compliance by the broker-dealers involved.
Investment Amount Restrictions	Generally, no sale may be made to you in this Offering if the aggregate purchase price you pay is more than 10% of the greater of your annual income or net worth. Different rules apply to accredited investors and non-natural persons. Before making any representation that your investment does not exceed applicable thresholds, we encourage you to review Rule 251(d)(2)(i)(c) of Regulation A. For general information on investing, we encourage you to refer to www.investor.gov.
Capital Stock	Our common stock is common equity and contains no preferences as to other classes of our capital stock. Each share of our common stock entitles the holder to one vote on all matters submitted to the vote of the stockholders, including the election of directors

Number of Shares Outstanding Before the Offering of Common Stock	A total of 39,344,996 shares of common stock are issued and outstanding as of the date hereof.
Number of Shares Outstanding After the Offering of Common Stock if All the Stock Being Offered are Sold	A total of 49,344,996 shares of Common Stock will be issued and outstanding after this Offering is completed if all the Shares are sold. Unless we indicate otherwise, all information in this Offering Circular is based on 39,344,996 shares of Common Stock issued and outstanding as of May 3, 2022.
Voting Rights	Holders of our Common Stock are entitled to one vote per Share on any matter to be voted upon by stockholders. We have not provided for cumulative voting for the election of directors in our certificate of incorporation.
Risk Factors	Investing in our Shares involves risks. See the section entitled "*Risk Factors*" in this Offering Circular and other information included in this Offering Circular for a discussion of factors you should carefully consider before deciding to invest in our Shares.
Use of Proceeds	Assuming a maximum raise of $42,000,000, the net proceeds of this Offering would be approximately $35,933,636 after subtracting commissions and estimated offering costs of $26,364 in audit fees, $4,000,000 in marketing and advertising costs related to the Offering, $30,000 (for 1 year) in fees for transfer agent and EDGAR fees, $420,000 in broker dealer fees, $120,000 accounting fees, $1,260,000 credit card fees, $10,000 graphic designer fees and $200,000 in legal fees. See "Use of Proceeds."
Termination of the Offering	Shares will be offered on a continuous basis until either (1) the date upon which the Company confirms that it has received in the bank account gross proceeds of $42,000,000 in deposited

	funds; (2) the expiration of 365 days from the date of this Offering Circular unless extended in its sole discretion by the Company; or (3) the date upon which a determination is made by the Company to terminate the Offering in its sole discretion.
No Trading Market	The Company is not listed on any trading market or stock exchange, and its ability to list its shares of common stock in the future is uncertain. Investors should not assume that the offered Shares will be listed. A public trading market for the Shares may not develop.
Transfer Agent	KoreTransfer USA LLC
Escrow Agent	East West Bank

The Company has entered into an Escrow Services Agreement with East West Bank (the "Escrow Agent"). Investor funds will be held in an account by the Escrow Agent pending a closing or the termination of the Offering. While funds are held the escrow account and before a closing of the sale of our Common Stock in bona fide transactions that are fully paid and cleared: (i) the escrow account and escrowed funds will be held for the benefit of the investors, (ii) the Company will not be entitled to any funds received into the escrow account, and (iii) no amounts deposited into the escrow account shall become the property of the Company, or be subject to any debts, liens or encumbrances of any kind of the Company. No interest shall be paid on balances in the escrow account.

The Escrow Agent has not investigated the desirability or advisability of investment in the shares nor approved, endorsed or passed upon the merits of purchasing the securities.

Perks

The Company will provide the following perquisites* (each a "Perk" and together the "Perks") to investors in this Offering, in addition to the Shares purchased, at each level of investment defined below, after a subscription for investment is accepted and after Shares are issued to the investor:

Weed 4 The People Boosted Benefits

TON $50,000+

- 15% Bonus Shares
- $500 Instant rebate for in store purchases*
- 10% Lifetime Cashback Rewards
- Exclusive Investor Perks
- San Diego's Cannabis Farmers Cup Awards VIP Judge Experience
- Emerald Cup Awards attendance
- Exclusive Investor Perks**

HALF TON $25,000+

- 10% Bonus Shares
- $500 Instant rebate for in store purchases*

- 10% Lifetime Cashback Rewards
- Exclusive Investor Perks
- San Diego’s Cannabis Farmers Cup Awards VIP Judge Experience
- Exclusive Investor Perks**

LBS $10,000+

- 5% Bonus Shares
- $500 rebate for in store purchases*
- 10% Lifetime Cashback Rewards
- Exclusive Investor Perks**

OUNCE $5,000+

- $500 rebate for in store purchases*
- 10% Lifetime Cashback Rewards
- Exclusive Investor Perks**

HALF OZ $2,500+

- $250 rebate for in store purchases*
- 7% Lifetime Cashback Rewards
- Exclusive Investor Perks**

EIGHTH $1,000+

- $100 rebate for in store purchases
- 5% Lifetime Cashback Rewards
- Exclusive Investor Perks**

GRAM $420+

- $40 rebate for in store purchases
- 3% Lifetime Cashback Rewards
- Exclusive Investor Perks**

* In store rebates to be redeemed in store at Jaxx Cannabis retail location.

** Exclusive Investor Perks may include discounts to our partner brands, invitation to networking events, access to limited edition merchandise, etc.

RISK FACTORS

This Offering involves significant risks and you should consider the Shares highly speculative. The following important factors, and those important factors described elsewhere in this Offering Circular, including the matters set forth under this section could affect (and in some cases have affected) the Company's actual results and could cause such results to differ materially from estimates or expectations reflected in this Offering Circular and in any forward-looking statements made herein or by the Company.

The purchase of the Company's Shares of Common Stock involves substantial risks. An investment in the Shares is highly speculative in nature, involves a high degree of risk and should be undertaken only by persons who can afford to lose their entire investment. The risks listed do not necessarily comprise all those associated with an investment in the Shares and are not set out in any particular order of priority. Additional risks and uncertainties may also have an adverse effect on the Company's business and your investment in the Shares. An investment in the Company may not be suitable for all recipients of this Offering. You are advised to consult an independent professional adviser or attorney who specializes in investments of this kind before making any decision to invest. Accordingly, prospective investors should carefully consider the following risk factors, in addition to any other risks associated with this investment, in evaluating a conversion into and/or a purchase of the Shares (collectively or individually, an "investment"). You should consider carefully whether an investment in the Company is suitable in the light of your personal circumstances and the financial resources available to you.

Summary of Risk Factors:

This Offering involves significant risks and you should consider the Shares highly speculative. The following important factors, and those important factors described elsewhere in this Offering Circular, including the matters set forth under the section entitled "Risk Factors," could affect (and in some cases have affected) the Company's actual results and could cause such results to differ materially from estimates or expectations reflected in this Offering Circular and in any forward-looking statements made herein or by the Company. These important risk factors include, but are not limited to:

- Risks related to the investment and this Offering;
- Risks related to the Company; and
- Risks related to the regulatory environment.

Risks Relating to This Offering and Investment

No Guarantee of Return on Investment

There is no assurance that you will realize a return on your investment or that you will not lose your entire investment. For this reason, you should read this Form 1-A, Offering and all exhibits and referenced materials carefully and should consult with your own attorney and business advisor prior to making any investment decision.

An Investment in the Company's Shares Could Result in a Loss of Your Entire Investment.

An investment in the Company's Shares offered in this Offering involves a high degree of risk and you should not purchase the Shares if you cannot afford the loss of your entire investment. You may not be able to liquidate your investment for any reason in the near future.

If you Invest, you will be Considered a "Financial Interest" Holder under California Laws and Regulations.

If you invest in the Company, you will be considered a "financial interest" holder under various California laws and regulations, and thus your name and other personal information must be disclosed by the Company to various California regulatory agencies. In order to invest in the Company, you will have to provide the following information which the Company will, in turn, have to provide to various regulatory agencies in California in order to comply with certain laws and regulations: your name, birthdate, social security number or tax identification number and your government-issued identification type and number. As a financial interest holder, your name and other information will be listed on various applications for licensure for the Company, for example. While the Company will use its best efforts to protect your private information, the Company has no control over the information once it passes it along to the various California agencies. It is also possible that other states or jurisdictions may impose similar or other requirements, on you as an investor in a cannabis related company, and that you may have to assist the Company in providing information, including personal information, to other governmental authorities, or others.

The Company has Significant Discretion Over the Net Proceeds of This Offering.

The Company has significant discretion over the net proceeds of this Offering. As is the case with any business, particularly one without a proven business model, it should be expected that certain expenses unforeseeable to management at this juncture will arise in the future. There can be no assurance that management's use of proceeds generated through this Offering will prove optimal or translate into revenue or profitability for the Company. You are urged to review the *Use of Proceeds* in this Offering but to understand that the actual use of the net proceeds of this Offering may vary significantly. In all cases, you should consult with your attorneys, accountants and personal investment advisors prior to making any decision to invest in the Company.

The Company may undertake Additional Equity or Debt Financing that may Dilute the Shares in this Offering.

The Company may undertake further equity or debt financing, which may be dilutive to existing shareholders, including you, or result in an issuance of securities whose rights, preferences and privileges are senior to those of existing shareholders, including you, and also reducing the value of Shares subscribed for under this Offering.

If the Maximum Offering is not Raised, the Company's Long-Term Debt or the Amount of Additional Equity the Company Needs to Sell may Increase.

There is no assurance that the maximum amount of Shares in this Offering will be sold. If the Maximum Offering Amount is not sold, the Company may need to incur additional debt or raise additional equity in order to finance its operations. Increasing the amount of debt will increase the Company's debt service obligations and make less cash available for distribution to its investors. Increasing the amount of additional equity that the Company will have to sell in the future will further dilute those investors participating in this Offering.

There Is No Assurance the Company Will Be Able to Pay Distributions to Investors.

While the Company may choose to pay distributions at some point in the future to its Investors, there can be no assurance that cash flow and profits will allow such distributions to ever be made.

There is No Public Trading Market for the Company's Shares

At present, there is no active trading market for the Company's securities and the Company cannot assure that a trading market will develop. The Company's common stock has no trading symbol. In order to obtain a trading symbol and authorization to have the Company's securities trade publicly, the Company must file an application on Form 211 with, and receive the approval by, the Financial Industry Regulatory Authority ("FINRA") of which there is no assurance, before active trading of the Company's securities could commence. In fact, there are serious questions as to whether an exchange would allow a U.S. cannabis-related company to list and trade at all. If the Company's securities ever publicly trade, they may be relegated to the OTC Pink Sheets. The OTC Pink Sheets provide significantly less liquidity than the NASD's automated quotation system, or NASDAQ Stock Market. Prices for securities traded solely on the Pink Sheets may be difficult to obtain and holders of the Shares and the Company's securities may be unable to resell their securities at or near their original price or at any price. In any event, except to the extent that investors' Shares may be registered on a Form S-1 Registration Statement with the SEC in the future, there is absolutely no assurance that Shares could be sold under Rule 144 or otherwise until the Company becomes a current public reporting company with the SEC and otherwise is current in the Company's business, financial and management information reporting, and applicable holding periods have been satisfied.

Should the Company's Securities Become Quoted on a Public Market, Sales of a Substantial Number of Shares of its Securities may Cause the Price of The Company's Securities to Decline.

Should a market develop and the Company's investors sell substantial amounts of its Shares in the public market, Shares sold may cause the price to decrease below the current offering price. These sales may also make it more difficult for the Company to sell equity or equity-related securities at a time and price that the Company deems reasonable or appropriate.

The Price for the Company's Shares May Be Volatile.

The market price of the Company's Shares, if any trading begins in the future, is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond its control, including the following:

- The Company may not be able to compete successfully against current and future competitors.
- The Company's ability to obtain working capital financing.
- Additions or departures of key personnel.
- Sales of the Company's Shares.
- The Company's ability to execute the business plan.
- Operating results that fall below expectations.
- Regulatory developments, particularly those affecting cannabis.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of the Company's Shares, if they are ever traded on a public market. As a result, you may be unable to resell your Shares at a desired price.

The Offering Price for the Shares has been Determined by the Company.

The price at which the Shares are being offered has been arbitrarily determined by the Company. There is no relationship between the Offering price and the Company's assets, book value, net worth, or any other economic or recognized criteria of value. Rather, the price of the Shares was derived as a result of internal decisions based upon various factors including prevailing market conditions, the Company's future prospects and needs, and the Company's capital structure. These prices do not necessarily accurately reflect the actual value of the Shares or the price that may be realized upon disposition of the Shares, or at which the Shares might trade in a marketplace, if one develops.

Neither the Offering nor the Securities have been Registered Under Federal or State Securities Laws, Leading to an Absence of Certain Regulation Applicable to the Company

The Company also has relied on exemptions from securities registration requirements under applicable state and federal securities laws. Investors in the Company, therefore, will not receive any of the benefits that such registration would otherwise provide. Prospective investors must therefore assess the adequacy of disclosure and the fairness of the terms of this Offering on their own or in conjunction with their personal advisors.

The Shares in this Offering have no Protective Provisions.

The Shares in this Offering have no protective provisions. As such, you will not be afforded protection, by any provision of the Shares or as an Investor in the event of a transaction that may adversely affect you, including a reorganization, restructuring, merger or other similar transaction involving the Company. If there is a "liquidation event" or "change of control" the Shares being offered do not provide you with any protection. In addition, there are no provisions attached to the Shares in the Offering that would permit you to require the Company to repurchase the Shares in the event of a takeover, recapitalization or similar transaction.

You will not have Significant Influence on the Management of the Company.

Substantially all decisions with respect to the management of the Company will be made exclusively by the officers, directors, managers or employees of the Company. You will have no ability to vote on nearly all issues of Company management and will not have the right or power to take part in the management of the Company and will not be represented on the board of directors of the Company. Accordingly, no person should purchase Shares unless he or she is willing to entrust all aspects of management to the Company.

Risks Relating to the Company

Recently Formed Company.

The Company was formed on, and has had, a limited operating history and financial track record on which it can be evaluated. As a result, prospective investors in the Shares have very limited financial or other information regarding the investment experience of the Company or information on the Company's prospects to assist in making their investment decision. There is no guarantee that the Company will ever realize any significant operating revenues or that its operations will ever be profitable.

Company is Not Yet Profitable.

To date, the Company has had operating losses and does not expect to be initially profitable for at least the foreseeable future, and cannot accurately predict when it might become profitable. Since the Company's inception, it has experienced net losses and negative cash flows from operations. The Company expects its operating expenses to increase in the future as it expands its operations. If the Company's revenue does not grow at a greater rate than its operating expenses, the Company will not be able to achieve and maintain profitability. The Company expects to incur significant losses in the future for a number of reasons, including without limitation the other risks and uncertainties described herein. Additionally, the Company may encounter unforeseen operating or legal expenses, difficulties, complications, delays and other factors that may result in losses in future periods. If the Company's expenses exceed its revenue, the Company may never achieve or maintain profitability and the Company's business may be harmed.

Dependency on Management.

The Company is dependent upon its management, key personnel and consultants to execute the business plan, and some of them will have concurrent responsibilities at other businesses. The Company's success is heavily dependent upon the continued active participation of the Company's current executive officers as well as other key personnel and consultants. Some of them will have concurrent responsibilities at other entities. Loss of the services of one or more of these individuals could have a material adverse effect upon the Company's business, financial condition or results of operations. Further, the Company's success and achievement of the Company's growth plans depend on the Company's ability to recruit, hire, train and retain other highly qualified personnel. Competition for qualified employees among companies in the industries in which the Company participates is intense, and the loss of any of such persons, or an inability to attract, retain and motivate any additional highly skilled employees required for the expansion of the Company's activities, could have a

materially adverse effect on it. The inability to attract and retain the necessary personnel, consultants and advisors could have a material adverse effect on the Company's business, financial condition or results of operations.

The Company's Business Plan is Speculative

The Company's present business and planned business are speculative and subject to numerous risks and uncertainties. There is no assurance that the Company will generate significant revenues or profits. An investment in the Company's Shares is speculative and there is no assurance that investors will obtain any return on their investment. Investors will be subject to substantial risks involved in an investment in the Company, including the risk of losing their entire investment.

The Company's Expenses Could Increase Without a Corresponding Increase in Revenues.

The Company's operating and other expenses could increase without a corresponding increase in revenues, which could have a material adverse effect on the Company's financial results and on your investment. Factors which could increase operating and other expenses include, but are not limited to (1) increases in the rate of inflation, (2) increases in taxes and other statutory charges, (3) changes in laws, regulations or government policies which increase the costs of compliance with such laws, regulations or policies, (4) significant increases in insurance premiums, (5) increases in borrowing costs, and (6) unexpected increases in costs of supplies, goods, materials, construction, equipment or distribution.

Computer, Website or Information System Breakdown Could Affect the Company's Business.

Computer, website and/or information system breakdowns as well as cyber security attacks could impair the Company's ability to service its customers leading to reduced revenue from sales and/or reputational damage, which could have a material adverse effect on the Company's financial results as well as your investment.

Changes in The Economy Could Have a Detrimental Impact.

Changes in the general economic climate, both in the United States and internationally, could have a detrimental impact on consumer expenditure and therefore on the Company's revenue. It is possible that recessionary pressures and other economic factors (such as declining incomes, future potential rising interest rates, higher unemployment and tax increases) may decrease the disposable income that customers have available to spend on products and services like those of the Company and may adversely affect customers' confidence and willingness to spend. Any of such events or occurrences could have a material adverse effect on the Company's financial results and on your investment.

Increased Costs could Affect the Company.

An increase in the cost of raw materials, energy or other goods and services could affect the Company's profitability. Commodity and other price changes may result in unexpected increases in the cost of raw materials, and other materials used by the Company. The Company may also be adversely affected by shortages of raw materials or packaging materials. In addition, energy cost increases could result in higher transportation, freight and other operating costs. The Company may not be able to increase its prices to offset these increased costs without suffering reduced volume, sales and operating profit, and this could have an adverse effect on your investment.

If the Company's Efforts To Build A Strong Brand And Maintain Customer Satisfaction And Loyalty Are Not Successful, It May Not Be Able To Attract Or Retain Customers, And Its Business May Be Harmed.

The Company believes that increasing, maintaining and enhancing awareness of the Company's brand is critical to achieving widespread acceptance and success of the Company's business. Building and maintaining a strong brand is important to attract and retain customers, as potential customers have a number of cannabis and other choices. Successfully building a brand is a time consuming and expensive endeavor and can be positively and negatively impacted by any number of factors. Some of these factors, such as the quality or pricing of the Company's products, are at least partially within its control. Other factors will be beyond the Company's control, yet users may nonetheless attribute those factors to the Company. The Company's competitors may be able to achieve and maintain brand awareness and market share more quickly and effectively than the Company can. Many of the Company's competitors are larger companies and promote their brands and have substantial resources to devote to such efforts. The Company's competitors may also have greater resources to

utilize advertising or website product placement more effectively than the Company can. If the Company is unable to execute on building a strong brand, it may be difficult to differentiate its business and products from its competitors in the marketplace, therefore its ability to attract and retain customers may be adversely affected and its business may be harmed.

The Company's Operating Plan Relies in Large Part upon Assumptions and Analyses Developed by the Company.

If these assumptions or analyses prove to be incorrect, the Company's actual operating results may be materially different from the Company's forecasted results. Whether actual operating results and business developments will be consistent with the Company's expectations and assumptions as reflected in its forecasts depend on a number of factors, many of which are outside the Company's control, including, but not limited to:

- whether the Company can obtain sufficient capital to sustain and grow its business;
- the Company's ability to manage its growth;
- the Company's assumptions related to farming, cultivating and distribution;
- whether the Company can manage relationships with key vendors and third parties;
- demand for the Company's products and services;
- the timing and costs of new and existing marketing and promotional efforts;
- competition;

- the Company's ability to retain existing key management, to integrate recent hires and to attract, retain and motivate qualified personnel;
- the overall strength and stability of domestic and international economies; and
- consumer habits.

Unfavorable changes in any of these or other factors, most of which are beyond the Company's control, could materially and adversely affect its business, results of operations and financial condition.

The Company may be Unable to Manage Their Growth or Implement Their Expansion Strategy.

The Company may not be able to expand the Company's product and service offerings, the Company's markets, or implement the other features of the Company's business strategy at the rate or to the extent presently planned. The Company's projected growth will place a significant strain on the Company's administrative, operational and financial resources. If the Company is unable to successfully manage the Company's future growth, establish and continue to upgrade the Company's operating and financial control systems, recruit and hire necessary personnel or effectively manage unexpected expansion difficulties, the Company's financial condition and results of operations could be materially and adversely affected.

If the Company is Unable to Effectively Protect its Intellectual Property and Trade Secrets, That may Impair the Company's Ability to Compete.

The Company's success will depend on its ability to obtain and maintain meaningful intellectual property protection for any Company intellectual property. The names and/or logos of Company brands may be challenged by holders of trademarks who file opposition notices, or otherwise contest, trademark applications by the Company for its brands. Similarly, domains owned and used by the Company may be challenged by others who contest the ability of the Company to use the domain name or URL. Patents, trademarks and copyrights that have been or may be obtained by the Company may be challenged by others, or enforcement of the patents, trademarks and copyrights may be required. The Company also relies upon, and will rely upon in the future, trade secrets. While the Company uses reasonable efforts

to protect these trade secrets, the Company cannot assure that its employees, consultants, contractors or advisors will not, unintentionally or willfully, disclose the Company's trade secrets to competitors or other third parties. In addition, courts outside the United States are sometimes less willing to protect trade secrets. Moreover, the Company's competitors may independently develop equivalent knowledge, methods and know-how. If the Company is unable to defend the Company's trade secrets from others use, or if the Company's competitors develop equivalent knowledge, it could have a material adverse effect on the Company's business.

Any infringement of the Company's patent, trademark, copyright or trade secret rights could result in significant litigation costs, and any failure to adequately protect the Company's trade secret rights could result in the Company's competitors offering similar products, potentially resulting in loss of a competitive advantage and decreased revenues. Existing patent, copyright, trademark and trade secret laws afford only limited protection. In addition, the laws of some foreign countries do not protect the Company's rights to the same extent as do the laws of the United States. Therefore, the Company may not be able to protect the Company's Existing patent, copyright, trademark and trade secret rights against unauthorized third-party use.

Enforcing a claim that a third party illegally obtained and is using the Company's existing patent, copyright, trademark and trade secret rights could be expensive and time consuming, and the outcome of such a claim is unpredictable. This litigation could result in diversion of resources and could materially adversely affect the Company's operating results.

The Company's Business Model is Evolving.

The Company's business model is unproven and is likely to continue to evolve. Accordingly, the Company's initial business model may not be successful and may need to be changed. The Company's ability to generate significant revenues will depend, in large part, on the Company's ability to successfully market the Company's products to potential users who may not be convinced of the need for the Company's products and services or who may be reluctant to rely upon third parties to develop and provide these products. The Company intends to continue to develop the Company's business model as the Company's market continues to evolve.

The Company Needs to Increase Brand Awareness.

Due to a variety of factors, the Company's opportunity to achieve and maintain a significant market share may be limited. Developing and maintaining awareness of the Company's brand name, among other factors, is critical. Further, the importance of brand recognition will increase as competition in the Company's market increases. Successfully promoting and positioning the Company's brand, products and services will depend largely on the effectiveness of the Company's marketing efforts. Therefore, the Company may need to increase the Company's financial commitment to creating and maintaining brand awareness. If the Company fails to successfully promote the Company's brand name or if the Company incurs significant expenses promoting and maintaining the Company's brand name, it would have a material adverse effect on the Company's results of operations and your investment.

Inability to Maintain and Enhance Product Image Could Affect the Company.

It is important that the Company maintains and enhances the image of its existing and new products and services. The image and reputation of the Company's products and services may be impacted for various reasons including, but not limited to, bad publicity, litigation, complaints from regulatory bodies resulting from quality failure, illness or other health concerns, and customer complaints. Such problems, even when unsubstantiated, could be harmful to the Company's image and the reputation of its products and services. From time to time, the Company may receive complaints from customers regarding products purchased from the Company. The Company may in the future receive correspondence from customers requesting reimbursement. Certain dissatisfied customers may threaten legal action against the Company if no reimbursement is made. The Company may become subject to product liability lawsuits or other lawsuits or claims from customers alleging injury because of a purported defect in products or services or sold by the Company, claiming substantial damages and demanding payments from the Company. The Company is in the chain of title when it manufactures, supplies or distributes products, and therefore is subject to the risk of being held legally responsible for them. These claims may not be covered by the Company's insurance policies, if any exist. Any resulting litigation could be costly for the Company, divert management attention, and could result in increased costs of doing business, or otherwise have a material adverse effect on the Company's business, results of operations, and financial condition. Any negative publicity generated as a result of customer or regulator complaints about the Company's products or services could damage the Company's reputation and diminish the value of the Company's brand and brand equity, which could have a material adverse effect on the Company's business, results of operations, and financial condition, as well as your investment.

Deterioration in the Company's brand equity (brand image, reputation and product quality) may have a material adverse effect on its financial results as well as your investment.

The Company Faces or Will Face Competition in the Company's Markets.

The Company either faces, or will face, significant competition in the United States and elsewhere. In some cases, the Company's competitors have or may have longer operating histories, established ties to the market and consumers, greater brand awareness, and greater financial, technical and marketing resources. The Company's ability to compete depends, in part, upon a number of factors outside the Company's control, including the ability of the Company's competitors to develop alternatives that are superior. If the Company fails to successfully compete in its markets, or if the Company incurs significant expenses in order to compete, it would have a material adverse effect on the Company's results of operations.

Data Security Breaches.

To the extent that the Company's activities involve the storage and transmission of confidential information, the Company and/or third-party processors will receive, transmit and store confidential customer and other information. Encryption software and the other technologies used to provide security for storage, processing and transmission of confidential customer and other information may not be effective to protect against data security breaches by third parties. The risk of unauthorized circumvention of such security measures has been heightened by advances in computer capabilities and the increasing sophistication of hackers. Improper access to the Company's or these third parties' systems or databases could result in the theft, publication, deletion or modification of confidential customer and other information. A data security breach of the systems on which sensitive account information is stored could lead to fraudulent activity involving the Company's products and services, reputational damage, and claims or regulatory actions against it. If the Company issued in connection with any data security breach, the Company could be involved in protracted and costly litigation. If unsuccessful in defending that litigation, the Company might be forced to pay damages and/or change the Company's business practices or pricing structure, any of which could have a material adverse effect on the Company's operating revenues and profitability. The Company would also likely have to pay fines, penalties and/or other assessments imposed as a result of any data security breach.

Outsourcing to Third Parties.

The Company depends on third-party providers for a reliable internet infrastructure and the failure of these third parties, or the internet in general, for any reason would significantly impair the company's ability to conduct its business. The Company will outsource some or all of its online presence and data management to third parties who host the actual servers and provide power and security in multiple data centers in each geographic location. These third-party facilities require uninterrupted access to the Internet. If the operation of the servers is interrupted for any reason, including natural disaster, financial insolvency of a third-party provider, or malicious electronic intrusion into the data center, its business would be significantly damaged. As has occurred with many Internet-based businesses, the Company may be subject to "denial-of-service" attacks in which unknown individuals bombard its computer servers with requests for data, thereby degrading the servers' performance. The Company cannot be certain it will be successful in quickly identifying and neutralizing these attacks. If either a third-party facility failed, or the Company's ability to access the Internet was interfered with because of the failure of Internet equipment in general or if the Company becomes subject to malicious attacks of computer intruders, its business and operating results will be materially adversely affected.

The Company's Employees May Engage in Misconduct or Improper Activities.

The Company, like any business, is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with laws or regulations, provide accurate information to regulators, comply with applicable standards, report financial information or data accurately or disclose unauthorized activities to the Company. In particular, sales, marketing and business arrangements are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve improper or illegal activities which could result in regulatory sanctions and serious harm to the Company's reputation.

Limitation on Director, Officer and Other's Liability.

The Company will provide for the indemnification of directors, officers and others to the fullest extent permitted by law and, to the extent permitted by such law, eliminate or limit the personal liability of directors, officers and others to the Company and its Shareholders for monetary damages for certain breaches of fiduciary duty. Such indemnification will be available for liabilities arising in connection with this Offering. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or others controlling or working with the Company pursuant to the foregoing provisions, the Company has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. Despite this, should the Company provide such indemnification, it could have a material adverse effect on the Company.

Inability to Manage the Potential Growth of Business.

The Company may be subject to growth-related risks including capacity constraints and pressure on our internal systems and controls. The ability of the Company to manage growth effectively will require us to continue to implement and improve our operations and financial systems and to expand, train, and manage our employee base. The inability of the Company to deal with potential growth could have a material adverse impact on our business, operations, financial condition, results of operations and/or prospects. Any expansion of operations the Company may undertake will entail risks; such actions may involve specific operational activities, which may negatively impact the profitability of the Company. Consequently, prospective investors in the Shares must assume the risk that (i) such expansion may ultimately involve expenditures of funds beyond the resources available to the Company at that time, and (ii) management of such expanded operations may divert management's attention and resources away from any other operations, all of which factors may have a material adverse effect on the Company's present and prospective business activities.

Risks Related to the Regulatory Environment

Cannabis Remains Illegal at the Federal Law Level and in Many Other States.

A number of states have enacted laws allowing their citizens to purchase and use recreational marijuana, medical marijuana and to operate medical marijuana cultivation, production or dispensary facilities. Cultivating and distributing marijuana for medical and recreational use is permitted in California where the Company is based and where all of the Company's cannabis products are grown, manufactured and sold, provided the Company remains in compliance with applicable state and local laws, rules and regulations. However, at the time this Offering commenced, marijuana is illegal under United States federal law, and under the laws of many states and foreign countries. The United States Supreme Court has confirmed that the federal government has the right to regulate and criminalize cannabis, including for medical purposes, and that federal law criminalizing the use of cannabis preempts state laws that legalize its use. Strict enforcement of federal law regarding marijuana would likely result in the inability to proceed with the business plans of the Company, even if they successfully procure all licenses for the cultivation, production and/or distribution of their cannabis products in California and could expose the Company to potential criminal liability and subject their properties to civil forfeiture. Additionally, certain state or foreign country laws could affect the Company if the state or foreign country believes the Company is violating those laws.

Regulatory Approval and Permits.

The Company may be required to obtain and maintain certain permits, licenses and approvals in the jurisdictions where its products are licensed. There can be no assurance that the Company will be able to obtain or maintain any necessary licenses, permits or approvals. Any material delay or inability to receive these items is likely to delay and/or inhibit the Company's ability to conduct its business, and would have an adverse effect on its business, financial condition and results of operations.

Additionally, the failure to obtain licenses could occur through no fault of the Company. Due to complicated and often contradictory legislative efforts at the state, county and local level in California, some cannabis businesses have been unable to obtain licenses, renew licenses, or move from temporary or provisional licenses to permanent ones. In some cases, this could be due to the state or local legislative bodies not passing laws or regulations that allow licensing to take place or that allow temporary licenses to expire with no additional means to continue operating a licensed business. Should any of these situations, or others that are unanticipated at this time, prevent the Company obtaining the necessary licenses, permits, authorizations or accreditations it requires, even if it makes its best efforts to do so, it could result in restrictions on the Company's ability to operate its business, which could have a material adverse effect on the Company and your investment.

Great Uncertainty as to Federal Law Enforcement for Investors in Cannabis-Related Companies.

While cannabis-related stocks and securities are currently accepted by, and trade on national securities exchanges including the New York Stock Exchange, and while federal securities regulators such as the SEC have not issued any prohibition against selling or issuing cannabis related securities, there is still uncertainty in the investment world as to the possible effects that cannabis being illegal under the federal Controlled Substances Act could have on cannabis-related company investors. In theory, investing in the Company or any a cannabis-related business could be found to violate the federal Controlled Substances Act. As a Shareholder and owner of the Company, it is theoretically possible that federal law enforcement officials could issue indictments to investors under federal law, and all of the assets an investor contributes to a cannabis business like the Company, could be subject to asset forfeiture because cannabis is still federally illegal. While the Company believes this risk is limited by its legal and compliant operation of its cannabis business under California law, the Company cannot assure any investor that the present federal climate, which seems to not be interested in prosecuting those involved with the growing legal cannabis business in states such as California, will continue to not prosecute those involved in cannabis-related businesses. The Company is not aware of any investor ever being prosecuted for simply investing in a cannabis related company by the United States federal government, but there is no assurance that such a prosecution will not occur in the future.

Furthermore, investors in cannabis-related businesses could be subject to a suspicious activity report (SAR) being the investor transfers funds to purchase the securities, under the theory that transferring funds to a business that is legally growing and selling cannabis in California is still violating federal law, making the need for a suspicious activity report to be filed. Although the Company has not been able to find any relevant precedent or confirmed media reports related to this issue, it remains theoretically possible that investors could get flagged for money laundering when they transfer funds to purchase cannabis-related stocks, and it is also possible that a bank could shut down the accounts of such investors.

The Company may be Deemed to be Aiding and Abetting Illegal Activities Through the Products that it Grows and Sells.

As a result, the Company may be subject to enforcement actions by law enforcement authorities, which would materially and adversely affect the Company's business and may affect investors directly. Under federal law, and more specifically the Controlled Substances Act, the possession, use, cultivation, and transfer of cannabis is illegal. Under certain laws of various states, the possession, use, cultivation, and/or transfer of cannabis is also illegal. The Company's business involves the cultivation, and/or sale of cannabis which is legal in California where the Company grows, manufactures and sells its cannabis products. Despite being legal in California, federal law enforcement authorities, and perhaps even other states law enforcement authorities, in their attempt to regulate the illegal use of cannabis, may seek to bring an action or actions against the Company or its officers, directors and/or investors, not only based on the cultivating and sale of cannabis, but also possibly claims of aiding and abetting another's criminal activities. As a result of such an action, the Company may be forced to cease operations and its investors could lose their entire investment. Such an action would have a material negative effect on the Company's business and operations, and could have a negative effect on investors directly.

It is also possible that additional federal or state legislation could be enacted in the future that would prohibit or limit the Company from selling cannabis and cannabis-related products and services, and, if such legislation were enacted, the Company's revenues would decline. Further, additional government disruption in the cannabis industry could cause potential customers and users to be reluctant to use the Company's products, which would be detrimental to the Company. The Company cannot predict the nature of any future laws, regulations, interpretations or applications, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on the Company's business, or on investors directly.

The Company's Business is Dependent on California State Laws.

As of the date of this Offering, California has legalized cannabis for adult use at the state level. Continued development of the cannabis industry is dependent upon continued legislative authorization of cannabis at the state and local level in additional states. Any number of factors could slow or halt progress in this area. Further, progress in the cannabis industry, while encouraging, is not assured. While there may be ample public support for legislative action, numerous factors impact the legislative process. Further legalization attempts at the state level that create bad public policy could slow or stop further development of the cannabis industry. Any one of these or other factors could slow or halt use of cannabis, which would negatively impact the Company's business.

In addition, because of the burdensome, inconsistent and in some instances, incomplete legislation and regulation at the state and local levels, some believe that the California legal cannabis industry is in a contracting phase, and that some laws and regulations (or the lack thereof where needed) could result in a collapse of the legal cannabis industry in California. Defects in current legislation and regulation,

expiring temporary licenses without timely renewals, over-regulation and over-taxation, and the costs of compliance (including attorneys and accountants) could negatively impact the Company's business.

Olive Tree Wellness Center LLC License

Olive Tree Wellness Center LLC is, for California license purposes, owned only 50% by the Company, and the Company is in the process of acquiring the remainder 50%, While the Company signed a binding letter of intent to acquire the remaining 50% for $1,300,000, however there is no assurance that the Company will complete the purchase.

City of La Mesa License

The Company's City of La Mesa dispensary license (City of La Mesa CUP #317-85) is, for California licensing purposes, owned 100% by the Company.

Uncertainty in many Related Business Industries Caused by Federal Laws or State Laws Outside of California.

Several industries that are used by most businesses have limitations or prohibitions on their use in cannabis related industries, and such limitations or prohibitions could have a detrimental effect on the Company's business, and on your investment. The following list are several examples of such limitations or prohibitions, and others exist or will exist in the future, that make investment into the Company, or any cannabis-related company, subject to a high level of risk:

- Advertising and marketing of cannabis and cannabis-related products is often limited or prohibited, including by such major companies as Google, Facebook and Twitter, and by the television industry. The inability to advertise and market the Company's products could have a significant effect on the Company's revenues and growth potential.

- The Company's access to real estate could be limited, its rights to such real estate could be voidable, and it could be forced to incur substantial costs. Some property owners may believe cannabis businesses contribute to an undesirable environment for a variety of alleged reasons including that cash accumulations and the presence of cannabis create a target for theft; and some processes, such as extraction, can create unpleasant odors.

- The Company's ability to attract qualified senior management and directors may be hampered by the uncertainty of the legal status of cannabis at the federal level.

- The Company's ability to transport its products is limited. Interstate commerce in cannabis products is illegal. Transportation of cannabis products from one state to another, even if cannabis is legal in both states, is prohibited or severely limited. Within a state, transportation via air or sea is subject to federal regulation, and therefore could be considered illegal. Arguably, transportation intrastate on federal highways could be seen as illegal.

- The Company may not be accorded the protection of bankruptcy laws because most bankruptcy law is federal law. While any cannabis company that wishes to obtain temporary protection from creditors may seek protection under state laws or common law relating to creditors' rights, it may not be able to use the protections afforded under provisions of the federal Bankruptcy Code.

Difficulty in Acquiring Insurance.

Insurance that is otherwise readily available, such as workers compensation, general liability, and directors' and officers' insurance, is more difficult for cannabis-related companies to find and more expensive than for other businesses. There are no guarantees that the Company will be able to find all such desired insurance coverages in the future, or that the cost will be affordable to the Company. If the Company are forced to go without certain insurance, it may prevent the Company from entering into certain business sectors, may inhibit the Company's growth, and may expose the Company to additional risk and financial liabilities.

Limited Accessibility to the Service of Banks.

Despite recent rules issued by the United States Department of the Treasury mitigating the risk to banks who do business with cannabis companies operating in compliance with applicable state laws, banks remain wary of accepting funds from businesses in the cannabis industry. Since the use of cannabis remains illegal under federal law, there remains a compelling argument that banks may be in violation of federal law when accepting for deposit funds derived from the sale or distribution of cannabis. Consequently, businesses involved in the cannabis industry continue to have trouble establishing banking relationships. Although the Company currently has bank accounts, its inability to open additional bank accounts or maintain its current account may make it difficult for the Company to do business. The inability to bank would also create a number of risks for the Company, including the possibility of a lack of verifiable financial records and accumulation of cash.

Uncertainty as to Federal Taxation for Cannabis-Related Businesses.

Because of federal laws making cannabis illegal, and because of certain provisions of the Internal Revenue Code, certain normal business expenses for other companies that are deductible by those companies, when incurred by cannabis-related companies, may not be deductible when calculating income tax liability and this can be detrimental to the Company's business. For example, Internal Revenue Code Section 280E prohibits businesses from deducting their ordinary and necessary business expenses other than costs of goods sold, where the business operations consist of activities that violate the federal Controlled Substances Act. Consequently, as long as cannabis remains subject to the federal Controlled Substances Act, cannabis companies including the Company may be at a disadvantage when it comes to profitability, compared to conventional companies. The effective tax rate on a cannabis-related business may depend on how large its ratio of nondeductible expenses is to its total revenues. Therefore, the Company's cannabis-related business may be less profitable than it could otherwise be.

Potential Growth Continues to be Subject to New and Changing State and Local Laws and Regulations.

Continued development of the cannabis industry is dependent upon continued legislative legalization of cannabis at the state level, and a number of factors could slow or halt progress in this area, even where there is public support for legislative action. Any delay or halt in the passing or implementation of legislation legalizing cannabis use, or its sale and distribution, or the re-criminalization or restriction of cannabis at the state level, particularly in California, could negatively impact the Company's business. Additionally, changes in applicable state and local laws or regulations could restrict the products and services the Company offer or impose additional compliance costs on the Company or its customers. Violations of applicable laws, or allegations of such violations, could disrupt the Company's business and result in a material adverse effect on its operations. The Company cannot predict the nature of any future laws, regulations, interpretations or applications, and it is possible that regulations may be enacted in the future that will be materially adverse to the Company's business.

The Cannabis Industry Faces Significant Opposition.

The Company is substantially dependent on the continued market acceptance, and the proliferation of consumers, of medical and recreational cannabis, particularly in California. The Company believes that with further legalization, cannabis will become more accepted, resulting in a growth in consumer demand. However, the Company cannot predict the future growth rate or future market potential, and any negative outlook on the cannabis industry may adversely affect the Company's business operations. Additionally, large, well-funded business sectors may have strong economic reasons to oppose the development of the cannabis industry. For example, medical cannabis may adversely impact the existing market for the certain medications sold by mainstream pharmaceutical companies. Should cannabis displace other drugs or products, the medical cannabis industry could face a material threat from the pharmaceutical industry, which is well-funded and possesses a strong and experienced lobby. Any inroads the pharmaceutical, or any other potentially displaced, industry or sector could make in halting or impeding the cannabis industry could have a detrimental impact on the Company's business.

The Company Operates in an Evolving Industry.

If the legal cannabis industry develops more slowly than the Company expects, its operating results and growth prospects could be harmed. in addition, the Company's future growth depends on the growth of the legal cannabis industry. The legal cannabis industry is a relatively new and rapidly evolving industry, making the Company's business and prospects difficult to evaluate. If new developments in the legal cannabis industry occur, particularly new laws or regulations or adverse interpretations of existing laws and regulations, technologies or if the Company is unable to successfully compete with current and new competitors, its business will be harmed, and it may not be able to survive. The growth and profitability of this industry, as it exists today, and the level of demand and market acceptance

for the Company's products, are subject to a high degree of uncertainty. The Company believes that the continued growth of legal cannabis industry will depend on many factors, some of which cannot be foreseen at present. This nascent industry may develop more slowly than the Company expects, which could adversely impact the Company's operating results and its ability to grow its business.

Federal Regulation and Enforcement may Adversely affect the Implementation of Medical and Recreational Marijuana Laws and Regulations May Negatively Impact the Company's Revenues and Profits.

Currently, there are many states plus the District of Columbia that have laws and/or regulations that recognize, in one form or another, legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment. Currently, there are states such as California, Colorado Nevada, Oregon and others that have laws and/or regulations that recognize, in one form or another, legal or decriminalized recreational sale and use of cannabis. Many other states are considering similar legislation allowing the medical sale and use of marijuana and/or recreational sale and use of marijuana. Conversely, under the federal Controlled Substance Act the policies and regulations of the Federal government and its agencies are that cannabis has no medical benefit and a range of activities including cultivation and the personal use of cannabis is prohibited at the federal level. Many states have similar prohibitions. Unless and until Congress amends the CSA with respect to medical marijuana, or as to recreational marijuana, there can be no assurance of the legal sale and use of cannabis-related products such as those of the Company, and there is a risk that federal authorities may enforce current federal law. If so, the Company may be deemed to be producing, cultivating or dispensing marijuana in violation of federal law or certain state laws. Active enforcement of the current federal regulatory position on cannabis, or similar enforcement actions by certain states, may indirectly and adversely affect the Company's revenues and profits. The risk of strict enforcement of the CSA in light of Congressional activity, judicial holdings and stated federal policy remains uncertain. The risk of strict enforcement of the state laws outside of California, as to the Company's business, also remains uncertain.

The Judicial System May Adversely Affect the Implementation of Medical and Recreational Marijuana Laws and Regulations May Negatively Impact the Company's Revenues and Profits.

Judicial interpretation of various state and federal laws related to cannabis could have a significant effect on the Company and its business. For example, in the recent past, the U.S. Supreme Court declined to hear a case brought by San Diego County, California that sought to establish federal preemption over state medical marijuana laws after the preemption claim was rejected by every court that reviewed the case, including the California 4th District Court of Appeals who wrote in its unanimous ruling, "Congress does not have the authority to compel the states to direct their law enforcement personnel to enforce federal laws." However, in another case, the U.S. Supreme Court held that, as long as the federal Controlled Substance Act contains prohibitions against marijuana, under the Commerce Clause of the United States Constitution, the United States may criminalize the production and use of homegrown cannabis even where states approve its use for medical purposes. The inconsistencies of judicial rulings from court to court, and from state court to federal court, creates an atmosphere of uncertainty for the cannabis industry. Should judicial rulings occur that directly or indirectly prohibits or limits the ability of the Company to cultivate, process and sell cannabis, or that prohibit the sale or purchase or cannabis related products by others, the Company's business and your investment could be significantly affected.

Volatility of Agricultural Commodities.

The Company uses certain agricultural commodities in the manufacturing of its products. Commodity markets are volatile and unexpected changes in commodity prices can reduce the Company's profit margin and make budgeting difficult. Many factors can affect commodity prices, including but not limited to political and regulatory changes, weather, seasonal variations, technology and market conditions. Some of the commodities used by the Company may not be easily substituted. Any of such events or occurrences could have a material adverse effect on the Company's financial results and on your investment.

Significant Risks Associated with Cultivating and Farming any Agricultural Crop.

The Company is in the business of growing and cultivating cannabis and other agricultural crops. There are significant risks involved with the Company's business as a result. The uncertainties inherent in weather, yields, prices, government policies, global markets, and other factors that impact farming can cause wide swings in farm income. For example, crop loss due to many factors is a very realistic possibility in the future, and has already occurred with the Company. Crop loss for the Company can occur as a result of many factors, including but not limited to, pesticide use, governmental testing of crops, weather, disease, mold and pests. Any and all crop loss by the Company for any reason could have a material adverse effect on the Company's financial results and on your investment.

Additionally, other risks inherent in the Company's business as a grower and cultivator of an agricultural crop include, but are not limited to (1) production risk derived from the uncertain natural growth processes of crops; (2) price or market risk such as uncertainty about the prices the Company will receive for their crops or the prices they must pay for inputs; (3) institutional risk resulting from uncertainties surrounding government actions such as regulations related to cannabis, tax laws, regulations for chemical use and rules for waste disposal; and (4) human or personal risk such as accidents, illness and death of the Company's farmers, employees, contractors and staff. Any of such events or occurrences could have a material adverse effect on the Company's financial results and on your investment.

Significant Risks Associated with a Possible Oversupply of Cannabis in the Marketplace.

Because the legal cannabis industry is in its infancy and because of other factors, it is possible that the marketplace will face an oversupply of products that could drastically reduce the Company's ability to sell its products, and the ability for the Company to charge what it desires to charge for its products. If any oversupply of cannabis occurs in the same marketplace that the Company is attempting to sell and distribute its products, the Company may not be able to sell its products at all, or may be forced to sell far less of its products than it plans to do. Furthermore, the Company may have to reduce its prices for its products if an oversupply occurs in the marketplace. Any of such events or occurrences could have a material adverse effect on the Company's financial results and on your investment.

For example, it has been widely reported that in 2018, Oregon's legal marijuana producers grew more than twice as much cannabis as was legally consumed, leading to an oversupply at dispensaries and wholesale distributors. Such an oversupply in Oregon has led to concerns that high supply will lead to falling prices, and that the state government will take action to push down supply by increasing producer license fees, limiting the maximum amount of cannabis grown in the state, or capping the number of licenses temporarily or permanently. Should such an oversupply occur in the markets the Company sells in, or plans to sell in, similar concerns of falling prices, government action to push down supply by increasing license fees, government action to limit the maximum amount of cannabis grown in the state, or government action to cap the number of licenses temporarily or permanently issued could have a material adverse effect on the Company, and on your investment.

Government and Other Campaigns and Laws Could Reduce Demand

Government-sponsored campaigns and campaigns by other third parties against cannabis use, licensing reforms relating to the cultivation of cannabis, and the manufacture and sale of cannabis products, may reduce demand for the Company's products and any change in any state, local, federal or international cannabis legislation or regulation and other legislation or regulation could have an impact upon present and future products which the Company may produce, which could have a material adverse effect on the Company's financial results and on your investment.

Federal and State Legislation.

The Food and Drug Administration (the "FDA") has indicated its view that certain types of products containing cannabidiol, a phytocannabinoid derived from the Cannabis plant ("CBD") may not be permissible under the Federal Food, Drug and Cosmetic Act. The FDA's position is related to its approval of Epidiolex, a marijuana-derived prescription medicine to be available in the United States. The active ingredient in Epidiolex is CBD. On December 20, 2018, after the passage of the Agriculture Improvement Act of 2018, FDA Commissioner Scott Gottlieb issued a statement in which he reiterated the FDA's position that, among other things, the FDA requires a cannabis product (hemp-derived or otherwise) that is marketed with a claim of therapeutic benefit, or with any other disease claim, to be approved by the FDA for its intended use before it may be introduced into interstate commerce and that the FDCA prohibits introducing into interstate commerce food products containing added CBD, and marketing products containing CBD as a dietary supplement, regardless of whether the substances are hemp-derived. While we believe our existing and planned CBD product offerings comply with applicable laws, legal proceedings alleging violations of such laws could have a material adverse effect on our business, financial condition and results of operations.

Unknown Health Effects of Cannabis-Related Products.

At present, the positive and negative short-term and long-term effects on the human mind and body of cannabis, hemp, THC, CBD and other cannabis and hemp related components have not been conclusively studied. In addition, the positive and negative short-term and long-term effects on the human mind and body of smoking, vaping and other means of using or ingesting cannabis, hemp, THC, CBD and

other cannabis and hemp related components have not been conclusively studied. Some individuals and entities believe that there may be negative effects on the human mind and body from the use of cannabis, hemp, THC, CBD, cannabis and hemp related components as well as from smoking, vaping and other means of using or ingesting cannabis, hemp, THC, CBD and other cannabis and hemp related components. Should studies confirm these negative effects, or should various governments, institutions, medical groups, consumer groups or others publicize these negative effects, whether accurate or not, it could lead to new legislation or other regulatory issues related to the sale of cannabis and hemp. Such other regulatory issues could have a material adverse effect on the Company's business. Legislation or additionally, negative press or negative public opinion relating to human health issues related to cannabis, hemp, THC, CBD, cannabis and hemp related components or relating to smoking, vaping and other means of using or ingesting cannabis, hemp, THC, CBD and other cannabis and hemp related components, could have a material adverse effect on the Company's business.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2021 on an actual basis.

This table should be read in conjunction with the information contained in this Offering Circular, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our financial statements and the related notes thereto appearing elsewhere in this Offering Circular.

	As of June 30, 2021 Actual (Unaudited)
Cash	$ 119,444
Stockholders' equity:	
Common stock, $0.0001 par value; 39,344,996 shares issued and outstanding on an actual basis	
Additional paid-in capital	4,736,452
Accumulated deficit	(4,884,262)
Total stockholders' equity	(147,810)
Total capitalization	$ (28,366)

DIVIDEND POLICY

We have not declared or paid dividends on our common stock since our formation, and we do not anticipate paying dividends in the foreseeable future. Since we do not anticipate paying dividends, and if we are not successful in establishing an orderly public trading market for our shares, then you may not have any manner to liquidate or receive any payment on your investment. Therefore, any decision not to pay dividends may cause you to not see any return on your investment even if we are successful in our business operations. In addition, because we may not pay dividends in the foreseeable future, we may have trouble raising additional funds which could affect our ability to expand our business operations.

ITEM 4: DILUTION

Dilution is the amount by which the offering price paid by purchasers of common stock sold in this Offering will exceed the pro forma net tangible book value per Share after the Offering.

As of June 30, 2021, our net tangible book value was approximately $(147,810), or $(0.004) per share. Net tangible book value is the value of our total tangible assets less total liabilities.

Based on the initial offering price of $4.20 per one Share, on an as adjusted basis as of June 30, 2021, after giving effect to the offering of Shares and the application of the related net proceeds, our net tangible book value would be:

(i) $41,852,190, or $0.85 per Share, assuming the sale of 100% of the Shares offered (10,000,000 Shares);

(ii) $31,352,190, or $0.67 per Share, assuming the sale of 75% of the Shares offered (7,500,000 Shares);

(iii) $20,852,190, or $0.47 per Share, assuming the sale of 50% of the Shares offered (5,000,000 Shares); and

(iv) $10,352,190, or $0.25 per Share, assuming the sale of 25% of the shares offered (2,500,000 Shares).

Purchasers of Shares in this Offering will experience immediate and substantial dilution in net tangible book value per share for financial accounting purposes, as illustrated in the following table on an approximate dollar per share basis, depending upon whether we sell 100%, 75%, 50%, or 25% of the shares being offered in this Offering:

Percentage of offering shares of common stock sold	***100%***	***75%***	***50%***	***25%***
Offering price per share of common stock	$ 4.20	$ 4.20	$ 4.20	$ 4.20
Net tangible book value per share of common stock before this Offering	$ (0.004)	$(0.004)	$(0.004)	$(0.004)
Increase in net tangible book value per share attributable to new investors	$0.85	$0.67	$0.47	$0.25
Pro forma net tangible book value per share after this offering	$0.85	$ 0.67	$ 0.47	$ 0.25
Immediate dilution in net tangible book value per share to new investors	$(3.35)	$(3.53)	$(3.73)	$(3.95)

The following tables sets forth depending upon whether we sell 100%, 75%, 50%, or 25% of the shares being offered in this Offering, as of June 30, 2021, the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid by existing stockholders and to be paid by new investors purchasing shares of common stock in this Offering, after giving pro forma effect to the new investors in this Offering at the offering price of $4.20 per share of common stock, together with the total consideration paid an average price per share paid by each of these groups, before deducting estimated broker commissions and estimated offering expenses.

	100% of the Shares Sold				
	Shares Purchased		**Total Consideration**		**Average Price per Share**
	Number	**Percent**	**Amount**	**Percent**	
Existing stockholders as of June 30, 2021	39,344,996	79.73%	$	%	$
New investors	10,000,000	20.27%	$ 42,000,000	%	$ 4.20
Total	49,344,996	100.0%	$	100.0%	$

	75% of the Shares Sold				
	Shares Purchased		**Total Consideration**		**Average Price per Share**
	Number	**Percent**	**Amount**	**Percent**	
Existing stockholders as of June 30, 2021	39,344,996	83.99%	$	%	$
New investors	7,500,000	16.01%	$ 31,500,000	%	$ 4.20
Total	46,844,996	100.0%	$	100.0%	$

	50% of the Shares Sold				
	Shares Purchased		Total Consideration		Average Price per Share
	Number	Percent	Amount	Percent	
Existing stockholders as of June 30, 2021	39,344,996	88.72%	$	%	$
New investors	5,000,000	11.28%	$ 21,000,000	%	$ 4.20
Total	44,344,996	100.0%	$	100.0%	$

	25% of the Shares Sold				
	Shares Purchased		Total Consideration		Average Price per Share
	Number	Percent	Amount	Percent	
Existing stockholders as of June 30, 2021	39,344,996	94.03%	$	%	$
New investors	2,500,000	5.97%	$ 10,500,000	%	$ 4.20
Total	41,844,996	100.0%	$	100.0%	$

ITEM 5: PLAN OF DISTRIBUTION

The Company is offering up to 10,000,000 shares of Common Stock in this Offering at $4.20 per share, with a minimum investment of $420. There is no minimum amount we are required to raise from the shares of Common Stock being offered hereby. There is no guarantee that we will sell any of the shares of Common Stock being offered in this Offering. Additionally, there is no guarantee that this Offering will successfully raise enough funds to implement our Company's business plan or pay for the expenses of this Offering, which we estimate to be $7,140,000, excluding commissions and state filing fees.

The approximate date of the commencement of the sales of the shares of Common Stock will be within two calendar days from the date on which the Offering is qualified by the SEC and on a continuous basis thereafter until the maximum number of shares of Common Stock offered hereby are sold or the Offering is earlier terminated. All offering expenses will be borne by us and will be paid out of the proceeds of this Offering. The Company may undertake one or more closings on an ongoing basis. After each closing, funds tendered by investors will be available to the Company.

This Offering will terminate at the earlier of: (i) the date at which the Maximum Offering Amount has been sold; (ii) the expiration of 365 days from the date of this Offering Circular unless extended in its sole discretion by the Company; or (iii) the date the Offering is earlier terminated by the Company, in its sole discretion. At least every 12 months after this Offering has been qualified by the SEC, if the Offering is still ongoing at such time, the Company will file a post-qualification amendment to include the Company's recent financial statements. The Company may undertake one or more closings on a rolling basis. After each closing, funds tendered by investors will be available to the Company. No sales of shares of Common Stock will be made prior to the qualification of the Offering statement by the SEC.

Rialto Markets LLC ("Rialto") has agreed to act as placement agent to assist in connection with this Offering. The placement agent is not purchasing or selling any securities offered by this Offering Circular, nor is it required to arrange the purchase or sale of any specific number or dollar amount of securities. Rialto will receive compensation for sales of the shares offered and sold through its platform ("Rialto Platform") at a rate of 1% of the gross proceeds.

The Company will also publicly market the Offering using general solicitation through methods that include emails to potential investors, the internet, social media, and any other means of widespread communication.

This Offering Circular will be furnished to prospective investors via download 24 hours per day, 7 days per week on the Company's website at https://primeharvestinc.com/invest.

The following table shows the total discounts and commissions payable to Rialto in connection with this Offering by the Company:

	Per Share	Total
Public offering price	$ 4.20	$42,000,000.00
Placement Agent commissions	$	$ 430,000.00
Proceeds, before expenses	$	$14,550,000.00

Other Terms

Rialto has also agreed to perform the following services in exchange for the compensation discussed above:

- act as lead broker for the Offering, coordinating efforts of parties involved and providing regulatory guidance,
- assist with use of an "Issuer Reg A Raise" website where potential and current investors begin the process of onboarding/ investing by entering their interest, required personal information and review and sign all Offering related documentation,
- reviewing marketing materials,
- performing AML/KYC checks on all investors, and
- providing other financial advisory services normal and customary for Regulation A offerings and coordinate with the Company's registered transfer agent, escrow agent and legal representatives

In addition to the commission described above, the Company will also pay $10,000 to Rialto to provide ongoing general consulting services relating to the Offering such as coordination with third party vendors and general guidance with respect to the Offering. This fee will be used for the purpose of coordinating filings with regulators and conducting a compliance review of the Company's Offering. In addition, the Company will pay Rialto and a $7,500 blue sky filing service fee, will reimburse Rialto for any state notice filing fees, estimated to be approximately $13,000 and the Company will also pay FINRA fees. Assuming the full amount of the Offering is raised and that Rialto's targeted selling efforts lead to sales of $42,000,000, we estimate that the total fees and expenses of the Offering payable by the Company to Rialto will be approximately $430,000.

***Procedures* for Subscribing**

After the qualification of this Offering Statement by the SEC, if you decide to subscribe for any shares of Common Stock in this Offering, you should complete the following steps:

1. Go to https://primeharvestinc.com/invest *and click on the "Invest Now" button*

2. Complete the online investment form.

3. Once documentation is received, Rialto will perform an AML/KYC check to verify the identity and status of the investor.

4. Once Rialto approves AML/KYC for applicant, applicant delivers funds directly by check, wire, debit card, credit card, or electronic funds transfer via ACH to the specified account or deliver evidence of cancellation of debt.

5. Once shares are issued, investor will electronically receive, review, execute and deliver to us a Subscription Agreement.

A form of our Subscription Agreement is filed as Exhibit 4.1 to the Offering Statement.

The shares of Common Stock acquired under the Subscription Agreement will be issued to you by our transfer agent in book entry form upon acceptance of your Subscription Agreement and confirmation of funds received by the Company.

Selling Securityholders

No securities are being sold for the account of security holders. All net proceeds of this Offering will go to the Company.

ITEM 6: USE OF PROCEEDS TO ISSUER

Assuming a maximum raise of $42,000,000, the net proceeds of this Offering would be approximately $35,933,636 after subtracting commissions and estimated offering costs of $26,364 in audit fees, $4,000,000 in marketing and advertising costs related to the Offering, $30,000 (for 1 year) in fees for transfer agent and EDGAR fees, $420,000 in broker dealer fees, $120,000 accounting fees, $1,260,000 credit card fees, $10,000 graphic designer fees and $200,000 in legal fees. See “Use of Proceeds.”

Assuming a raise of $21,000,000, representing 50% of the Maximum Offering Amount, the net proceeds of this Offering would be approximately $17,983,636 after subtracting commissions and estimated offering costs of $26,364 in audit fees, $2,000,000 in marketing and advertising costs related to the Offering, $30,000 (for 1 year) in transfer agent and EDGAR fees, $120,000 in accounting fees, $630,000 in credit card fees, $10,000 graphic designer fees and $200,000 in legal fees.

Assuming a raise of $8,400,000, representing 20% of the Maximum Offering Amount, the net proceeds of this Offering would be approximately $6,961,636 after subtracting commissions and estimated offering costs of $26,364 in audit fees, $800,000 in marketing and advertising costs related to the Offering, $30,000 (for 1 year) in transfer agent and EDGAR fees, $120,000 accounting fees, $252,000 in credit card fees, $10,000 graphic designer fees and $200,000 in legal fees.

In the event that the Company would raise less than the Maximum Offering Amount, the Company would adjust its use of proceeds by reducing marketing and promotion expenditures and slowing our planned expansion within the United States with the proceeds of the Offering.

Please see the table below for a summary our intended use of the net proceeds from this Offering

Percent Allocation	$8,400,000 Raise	%	$21,000,000 Raise	%	Maximum Offering $42,000,000 Raise
	Use Category		*Use Category*		*Use Category*
50%	Location Licensing & Acquisition	50%	Location Licensing & Acquisition	50%	Location Licensing & Acquisition
8%	Mobile App & Technology Development	5%	Mobile App & Technology Development	3%	Mobile App & Technology Development
17%	Marketing & Promotion	17%	Marketing & Promotion	17%	Marketing & Promotion
25%	General and Administrative	28%	General and Administrative	30%	General and Administrative

Because the Offering is made on a “best efforts” basis, we may close the Offering without sufficient funds for all the intended purposes set out above, or even to cover the costs of this Offering.

The Company reserves the right to change the above use of proceeds if management believes it is in the best interests of the Company.

ITEM 7: DESCRIPTION OF BUSINESS

This Offering Circular includes market and industry data that we have developed from publicly available information; various industry publications and other published industry sources and our internal data and estimates. Although we believe the publications and reports are reliable, we have not independently verified the data. Our internal data, estimates and forecasts are based upon information obtained from trade and business organizations and other contacts in the market in which we operate and our management's understanding of industry conditions. As of the date of the preparation of this Offering Circular, these and other independent government and trade publications cited herein are publicly available on the Internet without charge. Upon request, the Company will also provide copies of such sources cited herein.

Corporate History

Prime Harvest Inc. was formed on May 31, 2016, in the state of Nevada. In March 2017, 1113131 B.C. LTD was incorporated under the Business Corporations Act in Province of British Columbia, Canada. This entity was formed with the intent of acquiring the assets and assuming the liabilities of Prime Harvest, LLC (per IFRS definition) on or before December 31, 2017. On December 31, 2017, the Company issued 2,525,000 unrestricted common shares at a and 12,000,000 restricted common shares to acquire Prime Harvest. The Company's application for a cannabis retail dispensary license in the City of La Mesa, California received final approval and the Company was granted a Conditional Use Permit (City of La Mesa CUP #317-85).

In 2018 and leading into 2019, the capital markets had shifted and essentially shut down the window on newer companies in the space, thus leaving 1113131 to reorganize so that it could move forward. 2019 was a transition period for the Company. In 2020, the Company completed its transformation to a U.S. corporate entity. In 2020, the Canadian entity 1113131 successfully converted to Prime Harvest Inc., a U.S company, which continues to operate its original Ramona California location, expanding its revenue and customer base, continue its second license for a cannabis dispensary in La Mesa CA while solidifying ongoing relationships suppliers and distributors and operating in the most heavily regulated environment in the state of California.

Introduction

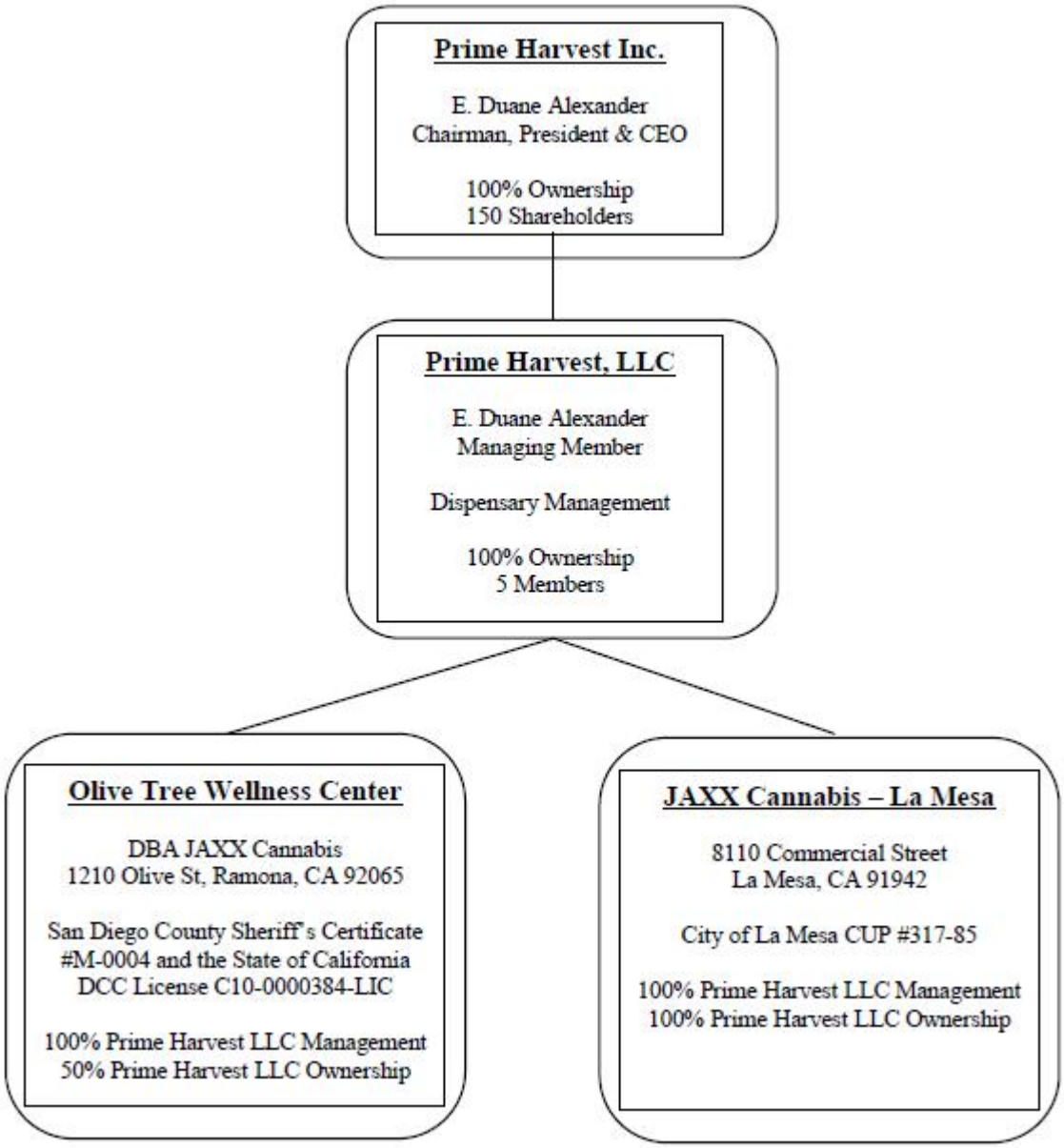
The Company is engaged in the direct-to-consumer sales of high-quality cannabis and its headquarters is located in Ramona, California. The Company was established to become a leading vertically integrated cannabis company, through optimizing assets and intellectual property along the supply chain. Prime Harvest Inc. is developing a premium, technology-focused full-service cannabis corporation to manage the cannabis development pipeline, from strain development and cultivation to extraction, purification, formulation, and the collection and management of data and tech-enabled services intended to improve products, modernise customer experiences and cement customers' and producers' ability to comply with regulations.

Prime Harvest Inc. will bring the rigor of over 100 years of combined hands-on cannabis operations experience, and technology to the emerging cannabis industry. The company's focus is on leveraging licensed assets and the use of the latest technology to revolutionize the customer experience.

The Company and its members have over 100 years combined hands on experience in cannabis cultivation, retail, marketing, regulation, and consumer behavior. Today, the Company is also exploring to expand its footprint to other legal U.S. markets and Canada with an expanding portfolio as licensed cultivators, producers, manufacturers, distributors, and retailers of cannabis products.

Prime Harvest Inc.'s Southern California operations, which are conducted through its retail brand Olive Tree Wellness Center LLC, d/b/a JAXX Cannabis, a subsidiary of the Company, include one (1) of only four (4) retail licenses in San Diego County. Operating as JAXX Cannabis in the city of Ramona, CA, the licensed dispensary has approximately 10,000 registered clients and is permitted to deliver to the entire County of San Diego. Most recently, the JAXX Cannabis location was permitted by the County of San Diego to expand up to 40,000 sq. ft. of indoor cultivation, manufacturing, and distribution operations. For more information on the Company's businesses and subsidiaries, please see the Company's organizational chart below:

Company Organizational Chart



Olive Tree Wellness Center LLC license (CUP #M-0004) is, for California licensing purposes, owned only 50% by the Company, and the Company is in the process of acquiring the remainder 50% from Mr. Renny Bowden for $1,300,000. The Company's City of La Mesa dispensary license (CUP #317-85) is, for California licensing purposes, owned 100% by the Company.

JAXX Cannabis

JAXX Cannabis upholds exceptional standards of quality and services and provides a rewarding experience for our customers in San Diego and the surrounding Southern California communities. JAXX Cannabis holds a retail and delivery license and is permitted to deliver countywide. With over 10,000 clients and growing, JAXX Cannabis continues to grow rapidly with steady and substantial increases in revenue each quarter.

Trust and credibility are at the heart of everything that the Company stands for. Our team is composed of experts in their respective fields, carefully assembled with the aim of building a world-class organization that can drive the cannabis industry and movement forward. Prime Harvest has the ambition to be a best U.S. company to work for and will consider additional benefits to support its team as the Company grows.

Prime Harvest Inc is extremely focused on continuing to technologically advance its current online order and cannabis delivery service throughout California. Everything about Prime Harvest was set up for growth and rapid expansion. From our San Diego County flagship retail brand, JAXX Cannabis - primed for future expansion in terms of space, transport links, utilities, infrastructure and equipment - to

our team's over 100 years of combined cannabis operations experience, we have the contacts and crew to make expansion happen quickly and efficiently.

Our mission is to appeal to the ethos of the cannabis consumer by setting the industry's operational standard, and prioritizing accountability, sustainability, and community; while positively affecting millions of lives through the creation of a world-class platform that caters to strengthening the commercial cannabis pipeline.

In the past few years, modern cannabis culture has blossomed and the industry shifts in real-time. We are at the heart of these changes, bringing people together and pushing the mission forward with innovation to reinvent the consumer experience by defining and growing brands that consumers trust and love, and using technology as a tool for efficiency.

Power To The People. Higher Together: Weed 4 The People is your chance to own a part of Prime Harvest. It is your opportunity to help create a new benchmark in safe cannabis access for all through the expansion of JAXX Cannabis, our flagship store and delivery. We have developed a concept that specializes in enhancing the customer's experience:

Jaxx Premium Mobile Delivery App: The JAXX Premium Delivery Mobile App ("JAXX Premium Delivery") is delivery services redefined as a sophisticated and more reliable experience to satisfy the needs of the cities in which we operate. The JAXX Premium Delivery application aims to inspire and encourage people from all walks of life to own their experiences, elevate their wellness, and fulfillment through the discovery of high-quality cannabis brands.

JAXX Premium Delivery will hold true to its vision of being a new concept, while weaving in traditional cannabis culture essence, which fulfills our objective to become a staple in the state of California, the largest cannabis market in the world.

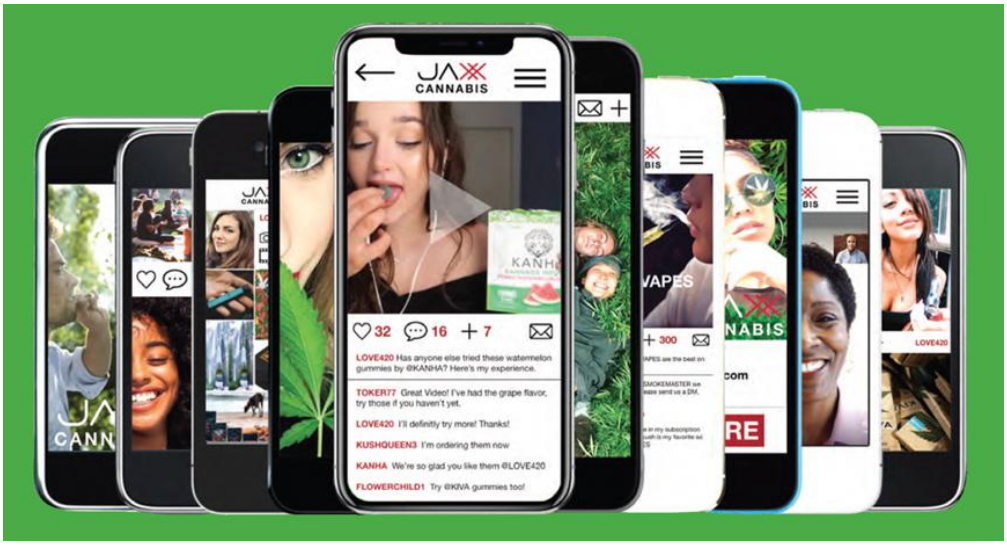
By creating a new niche in the cannabis industry, JAXX Premium Delivery will contribute to changing preconceived notions about cannabis and cannabis users. Through our philosophy of "excellence and quality above all" regarding both product and service, JAXX Premium Delivery will establish itself as an exceptional cannabis delivery service app in California.

How JAXX Premium Delivery Works: Order with the tap of a finger. Shop a variety of cannabis strains and infused products. Have a question? Video chat live with a virtual budtender for additional product information and hand-picked recommendations.

Monthly Subscription Box Curated Selections Delivered Directly to Your Door Every Month.

Prepay, Pick-up & Go! Skip the Line & Fast Track Your Next Visit. Reserve Your Order for Express Pickup

Social Community Take Photos & Video with Unique JAXX Filters. Get Points & Free Swag when You Share with Friends on Instagram, Facebook& Twitter



Market Analysis -What Makes the California Market Different

The California Legal Cannabis Industry

Potential investors are strongly recommended to carefully read and review with their legal counsel and investment advisors this entire Offering Circular, and particularly the Risk Factors on pages 7 to 21 (including those related to the cannabis industry in general) of this

Offering Circular prior to investing in the Company. There are significant risks associated with the cannabis industry in general, and with investing in the cannabis industry.

As of the date of this Offering Circular, recreational cannabis has been legalized in eleven (11) states and the District of Columbia, meaning more than 80,000,000 people constituting 24.55% of the population of the United States live in a jurisdiction where cannabis is no longer illegal under state law, with California representing 50% of this population. In addition, there are another thirty-three (33) states where medical cannabis is legal, 136,000,000 people constituting an additional 41.65% of the population live in a state where some form of cannabis use is legal under state law. Combined, 216,000,000 Americans (66.15%) now live in jurisdictions where cannabis is legal under state law in some form under state law. In February 2017, a poll found that 93% of Americans favor medical marijuana if prescribed by a doctor and 71% oppose the federal government enforcing federal laws against marijuana in states that have legalized medical or recreational marijuana use.

The legal cannabis industry is one of the fastest growing industries in the United States. A recent study noted that the cannabis industry would account for 250,000 jobs by 2020 and the total cannabis marketplace in the United States was $6.6 billion in 2016 and would grow to $24.1 billion by 2025. Other analysts predict the U.S. marketplace to be even greater by 2026, and one analyst has opined that California alone could account for $25 billion of a projected $50 billion nationwide market by 2026.

Mainstream acceptance of cannabis (hemp) in the United States is also illustrated by business transactions such as a publicly traded cannabis company announcing a partnership with drugstore chain CVS on a line of CBD products. CVS is already selling CBD products including creams, sprays, roll-ons, lotions and salves in eight states.

Federal Enforcement of Cannabis Laws

Cannabis remains illegal under federal law, and any change in the enforcement priorities of the federal government could render the Company's current and planned future operations unprofitable or even prohibit such operations. The Company is dependent on state laws and regulations pertaining to the cannabis industry, particularly the laws of the state of California.

The United States federal government regulates drugs through the Controlled Substances Act which places controlled substances, including cannabis, on one of five schedules. Cannabis is currently classified as a Schedule I controlled substance, which is viewed as having a high potential for abuse and having no currently accepted medical use in treatment in the United States. No prescriptions may be written for Schedule I substances, and such substances are subject to production quotas imposed by the United States Drug Enforcement Administration. Because of this, doctors may not prescribe cannabis for medical use under federal law, although they can recommend its use under the First Amendment.

Currently, 33 U.S. states and the District of Columbia allow the legal use of some form of cannabis. Such state laws are in conflict with the federal Controlled Substances Act, which makes cannabis use and possession illegal at the federal level. Because cannabis is a Schedule I controlled substance, however, the development of a legal cannabis industry under the laws of these states is in conflict with the Controlled Substances Act, which makes cannabis use and possession illegal on a national level. The United States Supreme Court has confirmed that the federal government has the right to regulate and criminalize cannabis, including for medical purposes, and that federal law criminalizing the use of cannabis preempts state laws that legalize its use.

In light of such conflict between federal laws and state laws regarding cannabis, the administration under President Barack Obama had effectively stated that it was not an efficient use of resources to direct law federal law enforcement agencies to prosecute those lawfully abiding by state-designated laws allowing the use and distribution of medical cannabis. For example, the Department of Justice Deputy Attorney General of the Obama administration, James M. Cole, issued a memorandum (the "Cole Memo") to all United States Attorneys providing updated guidance to federal prosecutors concerning cannabis enforcement under the Controlled Substances Act. In addition, the Financial Crimes Enforcement Network ("FinCEN") provided guidelines (the "FinCEN Guidelines") on February 14, 2014, regarding how financial institutions can provide services to cannabis-related businesses consistent with their Bank Secrecy Act ("BSA").

On January 4, 2018, the U.S. Attorney General, Jeff Sessions under the Trump Administration, issued a written memorandum (the "Sessions Memo") to all U.S. Attorneys stating that the Cole Memo was rescinded effectively immediately. In particular, Mr. Sessions stated that "prosecutors should follow the well-established principles that govern all federal prosecutions," which require "federal prosecutors deciding which cases to prosecute to weigh all relevant considerations, including federal law enforcement priorities set by

the Attorney General, the seriousness of the crime, the deterrent effect of criminal prosecution, and the cumulative impact of particular crimes on the community." Mr. Sessions went on to state in the memorandum that given the Justice Department's well-established general principles, "previous nationwide guidance specific to marijuana is unnecessary and is rescinded, effective immediately."

On May 15, 2019, Forbes reported that the Trump Administration's Attorney General William Barr William Barr testified during a Senate Appropriations subcommittee that he favors a more lenient, albeit federalist, approach to marijuana laws, preferring for cannabis to be legalized nationwide rather than let states continue to fly in the face of federal prohibition. Forbes also reported that during the Justice Department's fiscal year 2020 budget request meeting, Attorney General Barr was asked to clarify the federal government's role in enforcing drug laws in states that have legalized medical and adult use cannabis, and answered that removing the federal government from the situation and allowing the states to set their own cannabis policy would be an improvement over the present scenario, which he referred to as an intolerable conflict between federal and state laws.

On June 20, 2019, Forbes reported that the United States House of Representatives approved a measure to prevent the U.S. Department of Justice from interfering with state marijuana laws, including those allowing recreational use, cultivation and sales. The Forbes article further notes that the proposed law was attached to a large-scale appropriations bill to fund parts of the federal government for fiscal year 2020 and was approved in a floor vote of 267 to 165, a tally that is considered by legalization supporters to be an indication of how much support there is in Congress for more comprehensive and permanent changes to federal marijuana policies.8 The measure, sponsored by Reps. Earl Blumenauer (D-OR), Eleanor Holmes Norton (D-DC) and Tom McClintock (R-CA), would bar the Department of Justice from spending money to prevent states and territories from implementing their own laws that authorize the use, distribution, possession, or cultivation of marijuana. It should be noted that this measure has not been passed on by the U.S. Senate, and has not become law, but is still in the legislative process as of the date of this Offering Circular.

The United States Food & Drug Administration ("FDA") is generally responsible for protecting the public health by ensuring the safety, efficacy, and security of (1) prescription and over the counter drugs; (2) biologics including vaccines, blood & blood products, and cellular and gene therapies; (3) foodstuffs including dietary supplements, bottled water, and baby formula; and, (4) medical devices including heart pacemakers, surgical implants, prosthetics, and dental devices.

Regarding its regulation of drugs, the FDA process requires a review that begins with the filing of an "Investigational New Drug" ("IND") application, with follow on clinical studies and clinical trials that the FDA uses to determine whether a drug is safe and effective, and therefore subject to approval for human use by the FDA. The FDA has not approved cannabis, hemp or CBD derived from cannabis or hemp as a safe and effective drug for any indication. As of the date of this filing, we have not, and do not intend to file an IND with the FDA, concerning any of our consumer products that contain CBD derived from cannabis or hemp. Further, our consumer products containing CBD derived from cannabis or hemp are not marketed or sold using claims that their use is safe and effective treatment for any medical condition subject to the FDA's jurisdiction.

The FDA has concluded that products containing cannabis or hemp derived CBD are excluded from the dietary supplement definition under sections 201(ff)(3)(B)(i) and (ii) of the U.S. Food, Drug & Cosmetic Act, respectively. The FDA's position is that products containing cannabis or hemp derived CBD are Schedule 1 drugs under the Controlled Substances Act, and so are illegal. Our consumer products containing CBD derived from cannabis or hemp are not marketed or sold as dietary supplements. However, at some indeterminate future time, the FDA may choose to change its position concerning cannabis generally, and specifically products containing cannabis or hemp and CBD derived from cannabis or hemp and may choose to enact regulations that are applicable to such products. In this event, our cannabis or hemp-based products containing CBD may be subject to regulation.

The Biden Administration has changed the environment in Washington and Congress now appears to be advancing banking regulatory approvals and legal cannabis business operations acceptability. The industry is poised for legalization, regulation and growth simultaneously. As of the date of this Offering, however, the current Biden Administration Acting Attorney General, Monty Wilkinson, has not issued statements or guidance on medical cannabis since beginning service as Acting Attorney General on January 21, 2021. Enforcement of U.S. federal laws with respect to cannabis, including cannabis products, continues to remain uncertain.

Potential federal prosecutions could involve significant restrictions being imposed upon the Company or third parties, while diverting the attention of key executives. Such proceedings could have a material adverse effect on the Company's business, revenues, operating results and financial condition, as well as the Company's reputation and prospects, even if such proceedings were concluded successfully

in favor of the Company. Such proceedings could involve the prosecution of key executives of the Company or the seizure of corporate assets.

The Sale and Purchase of Cannabis-Related Securities

Despite the legalization of cannabis in many states, under United States federal law the Controlled Substance Act classifies cannabis as a Schedule I drug, substance or chemical, and thus makes the production, sale and use of cannabis subject to federal criminal penalties. Despite this, there is no federal law that specifically addresses the sale of cannabis-related securities. The SEC has not promulgated any rules prohibiting the sale of cannabis-related securities. In 2018, the SEC authored an "Investor Alert" that warned consumers about potential scams involving certain fraudulent cannabis-related securities. The SEC Investor Alert does not state, or even allude to, the concept that investing in or selling cannabis-related securities is illegal, but rather warned investors to investigate and do research on cannabis-related companies prior to investing.

The SEC has reviewed and has qualified to go to market at least one U.S. company whose business model included growing and selling cannabis in Nevada, thus clearing the way for that company to register its stock for trading through an S-1 filing. As of 2017, there were 225 publicly trading cannabis-related stocks in the U.S., including securities that trade on major exchanges like the New York Stock Exchange. In fact, one recent study noted that the amount of capital raised for publicly traded cannabis companies grew from approximately $58,300,000 in 2014 to approximately $942,400,000 in 2016 and that the amount of capital raised for private cannabis companies grew from approximately $82,900,000 in 2014 to approximately $280,000,000 in 2016. Barrons reported in October 2018 that cannabis stocks have a combined market capitalization of $27.4 billion, up from $9.2 billion at the start of the year. However, listings on national exchanges still rely on the rules of the exchange, such as the NYSE and NASDAQ. As of the time of this Offering's commencement, the NYSE and NASDAQ have not listed any cannabis companies that do business in the U.S, because of the status of cannabis at the federal level.

While there does not appear to be any direct federal law that prevents the Company from seeking an exemption to registration through this Offering Circular, the Company is cognizant of the fact that the law is unsettled and may be subject to interpretation by various presidential administrations, and by various states and their attorneys general and securities regulators.

Market Segmentation

Medical + Adult Use Markets

Prime Harvest Inc targets medical clients & adult enthusiast consumers.

Adult-Use Consumers

Adult-use consumers are identified as local residents who are persons over the age of 21 and also engage in cannabis use for pleasure. Prime Harvest will continue to obtain multiple licenses as required by local, state and federal laws.

Market Opportunity

The legal cannabis industry's economic impact in the United States continues to grow exponentially. According to New Frontier Data, the U.S. market for legal cannabis is expected to grow to $41 billion by 2025 (from $13.2 billion in 2019). The California market represents the largest market in the U.S. Forbes reported in January 2021 that California legal sales of cannabis-based products hit $4.4 billion based on information provided by MJBusDaily's Industry Factbook. Further, the growth in legal sales will continue to expand as licensing and law enforcement steadily erode the illegal market share. California's legal cannabis market is on track for rapid growth and it is estimated that 40% to 45% of its sales are delivery-based.

Market Needs

Cannabis buyers' needs vary widely from safe and effective medicine to stimulating recreational options. The Company is committed to meeting the full range of cannabis consumer needs, including ailment-specific strains for chronic disease sufferers as well as convenient, high quality and consistently dosed recreational products.

With this in mind, there are a few "needs" that all medical and most recreational clients have. These common needs, and solutions that Prime Harvest will offer, include (but are not limited to) the following:

Education& Information: Information on the large variety of ailments that cannabis can be used for is growing on a daily basis. As more medical studies are being funded and conducted, the surprisingly effective use of cannabis as a form of alternative treatment is, for the first time in recent history, being documented. For this reason, within our organization "Easily Accessible Information" is used as both a way to market and attract new customers, and to service and retain existing ones. Prime Harvest makes this information available to current and future clients, by publishing on its website links to a growing number of cannabis information services and websites. In addition, employee-training sessions are conducted on a regular basis.

Convenience: In an effort to service as large a geographic and demographic market as possible, Prime Harvest strategically addresses several vertical channels including Licensed brick-mortar dispensaries and door-to-door delivery services integrated within a mobile app.

Competitive Pricing: JAXX Cannabis buys more, so that its customers pay less. The Company is devoted to providing clients with the best price for their products. To prove this, JAXX matches any lower listed price that is advertised by a legally operating license competitor in California. The Company demonstrates its loyalty to customers in order to receive their continued patronage in return.

Products: Only the highest quality and most trusted products are hand-selected to be a part of the menu at JAXX Cannabis. JAXX Cannabis only carries state and county licensed and regulated products that have passed testing. Each product comes with its own unique lab results that are readily available for consumers at any time upon their request.

Service: JAXX Cannabis takes the time to listen to each of its clients own unique concerns, questions, and comments in order to recommend and explain each viable medicated product that could work for them. The Company prides itself on its top-notch customer service paired with quality client care.

Marketing Strategy

The Company aggressively creates distribution and sales channels to increase exposure, popularity, and sales.

Geo Targeting: Using third-party software, www.jaxxcannabis.com captures information about its website users to gain more knowledge on its customer base and to improve its interactions with them. This captured data is added to JAXX Cannabis' growing list of email addresses and allows for those consumers to receive special offers through weekly email blasts.

Mobile Ad Networks: These will allow us to purchase ad space inside other apps by acting as the middleman between the Company and the publishers with mobile advertisement capabilities. The kind of ads that the Company can purchase through mobile ad networks include interstitial, banner, video, and playable ads.

Social Media: Visibility on social media platforms like Facebook, Instagram, LinkedIn, YouTube, Tinder, Snapchat, and Twitter contribute vastly to the growing Company's popularity making it an invaluable marketing tool. To aggressively advance a presence on these social networking sites, multiple posts of unique content are shared daily to spark interaction and build interest with both new and return customers. Increasing the Company's following online provides unprecedented access to consumers to offer special discounts and promotions that drive business.

Internet Advertising: Prime Harvest uses a combination of Internet advertising methods that include, weekly emailed newsletters, daily text blasts, Pay-per-Click digital advertisements, Google AdWords, backlinks, banner ads, and website takeovers. Interactions, updates, and deals are posted on Yelp! and Google my Business on a regular basis along with other efforts that generate interest in the Company from the online community and general public.

Website: The website traffic on JAXXcannabis.com continues to climb via multiple marketing strategies that are in place. Organic website search engine optimization is enhanced through detailed vendor and product descriptions, photography, unique weekly blog posts, stories, and content that all packed with targeted keywords. Popular brands also provide JAXX Cannabis with valuable backlinks directing consumers to the JAXXcannabis.com website where trending products can be ordered.

Every Door Direct Mailers: JAXX Cannabis creates unique eye-catching 6”x11” full color flyers that are mailed directly to over 50,000 residential homes throughout San Diego County each month. These mailers provide contact information, highlight the benefits of the brand, and offer special discounts and promotions to new and return customers that drive sales.

Word of Mouth: Word travels quickly between family members, peers, and colleagues who have pleasing experiences at specific businesses. Prime Harvest recognizes this and relies on its effectiveness as an inexpensive resource to generate interest in its Customer Service and Services Offered. According to research conducted by Nielsen, Word of Mouth remains among the most trusted forms of advertising. And “92% of consumers around the world say they trust earned media, such as word of mouth or recommendations from friends and family, above all other forms of advertising”.

Direct Marketing/Sales: In the business-to-consumer world, direct and relevant advertising has always been an effective means of reaching clients. JAXX Cannabis makes sure to personally follow up with, or check on clients that have either used its services before, or have shown interest. The benefits of a direct sales approach include lower upfront marketing costs, enhanced lead generation, and immediate results.

Networking: As with any relationship-based business, Prime Harvest benefits from participating in a number of networking opportunities that have the potential to yield new business contacts as well as nourish existing ones. Company representatives attend a variety of events that draw substantial numbers of prospective clients, including seminars, mixers, and luncheons. These events provide opportunities to speak to and associate with large audiences that may have not been previously reached.

Print Advertisements: Advertising in popular magazines throughout San Diego introduces the brand to new customers through sources they trust. These publications include San Diego Magazine, City Beats Magazine, and the San Diego Reader, which is popular amongst local cannabis enthusiasts and often referred to as the “San Diego Weeder.” These Print ads are frequently accompanied with website networking and access to long lists of email addresses from San Diego residence that can be reached through email blasts.

Online Menus: JAXX Cannabis’ menu showcases its wide variety of hand-selected premier products crafted by popular brands throughout San Diego. A live stream of the inventory can be found at www.JAXXcannabis.com as well as on popular marijuana ordering sites including Weedmaps and Leafly. JAXX Cannabis promotes exclusive daily deals enticing both new and return customers that are active on the websites.

PR/Press: Engaging a PR company to create personalized media pitches and media kit to send directly to journalists, bloggers, podcasters, review websites, and other content creators and to promote our application to their respective followings.

Competitive Analysis

At this time, the medical and recreational cannabis industry is quite new, and still developing. The industry is characterized by a highly fragmented landscape, and only a few major players have yet emerged. The majority of industry operators are independent, resulting in a very low market share concentration

Competitive Edge: “The only sustainable competitive advantage is an organization’s ability to learn faster than the competition” - Peter Senge, Senior Lecturer at MIT Sloan and Founder of the Society for Organizational Learning.

To thrive in this environment, Prime Harvest focuses on being:

1. customer-centric: To avoid them wandering, it’s important to exceed expectations in the consumer experience, and reinforce your its brand; and

2. a learning organization: Internally, the teams focus on the concept of kaizen: continuous incremental improvement; and learning is essential to improvement.

With many years of gaining knowledge through experience, the Company uses unique creative strategies to recognize market deficiencies and capitalize on them. Prime Harvest has established a well developed and managed channel in order to address multiple vertical markets, demographics, and geographical targets.

Company Strengths

The Company believes that it has strong economic prospects by virtue of the following dynamics of the industry, the success of its founders in their other business endeavors and other reasons, including but not limited to the following:

1. Industry data portrays that the trends for growth in the legal cannabis industry in the United States are favorable, particularly in California.

2. The demand for legal cannabis in the United States is expected to grow creating new opportunity for the Company to expand. Prime Harvest is already successfully operating a licensed California medical cannabis dispensary in San Diego County and has recently been awarded its second California dispensary license to open in La Mesa, which recently passed the sale of recreational sales.

3. Prime Harvest is in a position to continue to develop profitable dispensary and statewide delivery opportunities in California and nationwide (if laws change) due to its key advantages over the market. The Company has identified numerous locations for growth and acquisition.

4. The experience of the founders and management has enhanced the Company's strong product acquisition relationships, broad business development capabilities, operation expertise, and a specific background in dealing with the regulatory compliance and environment for dispensaries and purchasing matters.

5. The Company believes that the successful operation and development of the business may result in the Company's acquisition by another company, merger with another company or companies or a public offering and listing on a U.S. or Canadian stock exchange.

Despite management's beliefs, there is no assurance that Prime Harvest will be profitable, or that management's opinion of the industry's favorable dynamics will not be outweighed in the future by unanticipated losses, adverse regulatory developments and other risks. Investors should carefully consider the various risk factors below before investing in the Shares.

REGULATION

The cultivation, distribution and use of cannabis is illegal under U.S. federal law. The United States federal government regulates drugs through the CSA, which places controlled substances, including cannabis, in a schedule. Cannabis is a Schedule I controlled substance under the CSA. The DOJ defines Schedule I drugs, substances or chemicals as "drugs with no currently accepted medical use and a high potential for abuse." The FDA has not approved cannabis as a safe and effective drug for any condition. State laws that permit and regulate the production, distribution and use of cannabis for adult-use or medical purposes are in direct conflict with the CSA, which makes cannabis use and possession federally illegal. Although certain states and territories of the U.S. authorize medical or adult-use cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under federal law under any and all circumstances under the CSA.

Despite this, as of May 2021, there are a total of 37 states in the United States, plus the District of Columbia, Puerto Rico and Guam (the "Territories"), that have legalized the use of medical cannabis, and 18 states that have legalized the use of adult-use cannabis. The Company's operations, which are in the State of California, are subject to the laws thereof and the municipalities in which it operates. Although the Company's activities are believed to be compliant with applicable state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company.

Since 2014, the United States Congress has passed appropriations bills that have included amendments such as the Joyce Amendment (formerly the Rohrabacher-Blumenauer Amendment), which by its terms does not appropriate any federal funds to the United States Department of Justice for the prosecution of medical cannabis offenses of individuals who or businesses which are in compliance with state medical cannabis laws. For now, the Joyce Amendment is the only statutory restraint on enforcement of federal cannabis laws. Courts in the U.S. have construed these appropriations bills to prevent the federal government from prosecuting individuals or businesses when those individuals or businesses operate in compliance with state and local medical cannabis regulations; however, this legislation

only covers medical cannabis, not adult-use cannabis, and expires concurrently with each annual budget or continuing resolution relating thereto, unless extended or renewed. See, "*Risk Factors-Approach to the Enforcement of Cannabis Laws may be Subject to Change*" and "*The Potential Re-Classification of Cannabis in the United States Could Create Additional Regulatory Burdens on Our Operations and Negatively Affect Our Results of Operations.*"

Current Regulations

The California Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA") establishes a comprehensive system to control and regulate the cultivation, distribution, transport, storage, manufacturing, processing, and sale of medicinal and adult-use cannabis and cannabis products and sets forth the power and duties of the state agencies responsible for controlling and regulating the commercial cannabis industry. This summary is not intended to be a recital of every applicable law and regulation. Instead, this summary of MAUCRSA focuses on operational considerations only and provides a broad overview of ***some, but not all,*** of the requirements and restrictions MAUCRSA imposes on commercial cannabis activity in California.

MAUCRSA created the Bureau of Cannabis Control (the "BCC") to regulate and license cannabis activity for retailers, distributors, microbusinesses, testing laboratories, and temporary cannabis events. The California Department of Public Health's Manufactured Cannabis Safety Branch (the "MCSB") is the state licensing authority charged with licensing and regulating cannabis manufacturing in California. Lastly, CalCannabis Cultivation Licensing, a division of the California Department of Food and Agriculture (the "CDFA"), ensures public safety and environmental protection by licensing and regulating commercial cannabis cultivators. Together, the BCC, MCSB, and CDFA will hereinafter be referred to as the "Licensing Authorities."

The BCC, CDPH, and the CDFA each have adopted final regulations that implement the mandates of MAUCRSA and outline the statewide standards and licensing requirements for commercial cannabis licensees in California. The final regulations released by the BCC (the "BCC Regulations") apply to all types of licensees. The final regulations released by the CDPH (the "CDPH Regulations") provide extensive requirements and regulations on operators conducting any type of commercial cannabis manufacturing. The final regulations released by the CDFA (the "CDFA Regulations) provide for a variety of restrictions and requirements for cultivators and their facilities, as well as nurseries and processors.

Proposed Changes

California Governor Gavin Newsom has proposed to combine the current Licensing Authorities into a new state agency called the Department of Cannabis Control (DCC). The merger – which has been delayed because of the coronavirus pandemic– is intended to simplify a host of industry issues and reduce regulatory red tape for cannabis businesses. Governor Newsom's proposal been rescheduled and is now slated to be completed by July 2021. Though the merger is pending approval from lawmakers, the move is part of Newsom's 2021-22 budget proposal and therefore expected to receive the needed approval. Additionally, all of California's provisional licenses are set to expire on December 31, 2021, and to the extent the Company has obtained provisional licenses it would need to replace them by then to continue its operations. See, "*Risk Factors- Regulatory Approvals and Permits."*

Current Licensing Requirements

Pursuant to MAUCRSA, all commercial cannabis activity must be conducted between licensed operators unless otherwise specified in the rules or regulations. The Licensing Authorities may only issue commercial cannabis licenses to qualified applicants. An entity may be issued more than one license, but must obtain a separate license for each location where it engages in commercial cannabis activity. Each individually licensed location must be kept "separate and distinct."

MAUCRSA authorizes the State of California to issue twelve-month (annual) licenses in the following categories:

Type 1: Cultivation; Specialty outdoor; Small.
Type 1A: Cultivation; Specialty indoor; Small.
Type 1B: Cultivation; Specialty mixed-light; Small.
Type 1C: Cultivation; Specialty cottage; Small.
Type 2: Cultivation; Outdoor; Small.
Type 2A: Cultivation; Indoor; Small.

Type 2B: Cultivation; Mixed-light; Small.
Type 3: Cultivation; Outdoor; Medium.
Type 3A: Cultivation; Indoor; Medium.
Type 3B: Cultivation; Mixed-light; Medium.
Type 4: Cultivation; Nursery.
Type 5: Cultivation; Outdoor; Large.
Type 5A: Cultivation; Indoor; Large.
Type 5B: Cultivation; Mixed-light; Large.
Type 6: Manufacturer 1.
Type 7: Manufacturer 2.
Type 8: Testing laboratory.
Type 10: Retailer.
Type 11: Distributor.
Type 12: Microbusiness.

As the state licensing process has evolved over time, the Licensing Authorities have offered two (2) state licenses options: (1) Provisional Licenses and (2) Permanent Annual Licenses. Applicants apply for an annual license by submitting an annual license application. Upon a Licensing Authority receiving a submitted annual license application, the licensing staff will evaluate the application to determine whether the applicant qualifies for an annual license or a provisional license. Provisional Licenses are valid for one year and can be renewed for one-year terms until January 1, 2022.

Each Licensing Authority has broad authority to deny an application for licensure and the ability to suspend, place on probation, revoke, discipline and/or fine operators upon commission of an act that constitutes grounds for disciplinary action while engaged in cannabis activity, after proper notice and a hearing, if the business is found to have committed any of the acts or omissions constituting grounds for disciplinary action.

Operations and Inventory Requirements

Under MAUCRSA, every sale or transport of cannabis between operators must be recorded on an invoice or receipt, which may be maintained electronically, but must be readily accessible and not commingled. Each sales invoice must include the following information: (a) seller and purchaser's name and address; (b) sale date; (c) invoice number; (d) kind, quantity, size, and capacity; (e) cost and discounts; (f) place of transport; and (g) other information. Additional information must be recorded when conducting medical cannabis operations, including but not limited to, medical conditions and name of the patient's primary caregiver. Operators must maintain records for 7 years. Authorities may examine such records and inspect the operator's licensed premises during business and reasonable hours. Further, operators must deliver records on request and refusal to allow an inspection or turn over records is a violation of MAUCRSA. The fine per violation is $30,000.

In addition, pursuant to the CDFA Regulations, every cultivator must keep and maintain cannabis activity records for 7 years, which include, without limitation, the maintenance of data or information input into the track-and-trace system, financial records, personnel records, training records, cannabis contracts, permits, licenses, and other local authorizations, security records and waste records.

In order to comply with the CDFA Regulations, with respect to all cultivation sites, cultivators are required to submit a premises diagram that shows the boundaries and dimensions of the following: (a) canopy area(s); (b) propagation area(s) which will contain only immature plants; (c) designated pesticide and other agricultural chemical storage area(s); (d) designated holding area(s) for cannabis scheduled for destruction; (e) designated processing area(s) if the cultivator will process on site; (f) designated packaging area(s), if the cultivator will package products on site; (g) designated composting area if the cultivator will compost plant waste on site; (h) designated refuse area(s); (i) designated area(s) for harvested cannabis storage; and (j) water storage location and source information. Canopy includes all designated areas that will contain mature plants at any point in time. The CDFA Regulations set forth separate requirements for Nursey and Processor licenses.

Product Safety and Quality Control

Cultivators are held to high standards of cleanliness. Cultivators must ensure pests are kept under effective control, are present only to a light degree and that only a few of the plants in any propagation or canopy area(s) on the premises show any infestation or infection, and of these, none show more than a few individuals of any insect, animal or weed pests or more than a few individual infestations of any plant disease. Cannabis plants must be kept free of: (a) pests of limited distribution, including pests of major economic importance which are widely, but not generally distributed; and (b) pests not known to be established in California.

Traceability and Inventory Tracking

Licensees must utilize the state-mandated track and trace system and comply with track and trace requirements for all commercial cannabis activity, which includes the purchase, sale, test, packaging, transfer, transport, return, destruction, or disposal, of any cannabis goods. Each operator must have a track and trace account manager responsible for properly training and authorizing certain staff. Operators must record the following: (a) packaging of cannabis goods; (b) sale of cannabis goods; (c) transportation of cannabis goods to an operator; (d) receipt of cannabis goods; (e) return of cannabis goods; (f) destruction and disposal of cannabis goods; (g) laboratory testing and results; and (h) any other activity as required by the BCC or any other licensing authority.

The track and trace program requires operators to report cannabis movement and capture, which includes, at a minimum, the: (a) receiving business; (b) date; and (c) cultivator origin. The electronic database includes, at a minimum, the: (i) quantity, weight, and variety of products shipped; (ii) estimated times of departure and arrival; (iii) quantity, weight, and variety of products received; (iv) actual time of departure/arrival; (v) product categorization; and (vi) license number and unique identifier. Moreover, manufacturers and cultivators must comply with similar stringent track and trace requirements as operators. Manufacturers must record: (a) receipt of cannabis material; (b) the transfer to or receipt of cannabis products for further manufacturing; (c) all changes in the disposition of cannabis or cannabis products; and (d) the transfer of cannabis products to a distributor. Cultivators must ensure the following: (a) maintaining an accurate and complete list of all track-and-trace system administrators and users and updating the list immediately when changes occur; (b) correcting any inaccurate data that is entered into the track-and-trace system in error within 24 hours; (c) tracking transfers of cannabis; (d) inputting license number, transaction date, quantity, weight, product category; and (e) departure and estimated time of arrival, and the unique identifier.

If an operator, manufacturer or cultivator loses access to the track and trace system, such operator, manufacturer or cultivator must notify the BCC when their access to the system is lost, when it is restored and the cause of loss of access. Transporting or, receiving delivery of cannabis goods during loss of access is prohibited. Any commercial cannabis activity that took place while the system was down must be put into the system within 3 calendar days of the system being restored. An operator, manufacturer or cultivator cannot transport, transfer or deliver any cannabis goods until such time as access is restored and all information is recorded in the track and trace system.

Additionally, the CDFA may perform an audit of the physical inventory of any cultivator at its discretion. Variances between the physical audit and the inventory reflected in the track-and-trace system at the time of the audit, which cannot be attributed to normal moisture variations in harvested cannabis, may be subject to enforcement action.

Packaging and Labeling

Each of MAUCRSA and the CDPH Regulations imposes certain packaging and labeling restrictions. Under MAUCRSA, prior to delivery or sale at a retailer, cannabis and cannabis products must be labeled and placed in a resealable, tamper-evident, child-resistant package and include a unique identifier for the purposes of identifying and tracking such products. Packages and labels cannot be attractive to children. All cannabis and cannabis product labels and inserts must include extensive government warnings, instructions for use and various other information related to the product's production It is unlawful to misbrand a product or to offer and receive in commerce a misbranded cannabis product. A cannabis product is misbranded if it: (a) is manufactured, packed, or held by an unlicensed operator; (b) is false or misleading; or (c) does not conform to the requirements of applicable law.

Under the CDPH Regulations, cannabis product packaging cannot resemble traditionally available food packages and packaging for edibles must be opaque. All manufactured products must be packaged before they are released to a distributor and such packaging cannot be attractive to children and must be tamper-evident, resealable if the product includes multiple servings and child-resistant. Cannabis product labels must include an ingredient list, some nutritional facts and the CDPH-issued universal symbol. The label may not refer to the product as a candy. In addition to these requirements, the statute requires that labels not be attractive to individuals under the age

of 21 and include mandated warning statements and the amount of THC content. The CDFA Regulations impose similar packaging and labeling regulations for cultivators packaging and labeling cannabis and non-manufactured cannabis products.

Security

Cannabis operators are required to have a detailed security plan that prevents unauthorized access to the premises, prevents against theft or loss of cannabis and cannabis products, and have a way of securing and backing up electronic records. Additional requirements of such security plan include a video surveillance system which must meet certain specifications. Overall, the security plan must prevent unauthorized personnel from gaining access, utilize alarm systems, include investigative mechanisms for certain situations, require management supervisions for certain activities, and record back-up electronic records of all security events. Additional security requirements are imposed based on the type of commercial cannabis activity being conducted.

Taxation

Under MAUCRSA and the California Department of Tax and Fee Administration (the "**CDTFA**") guidance, a 15% excise tax of the average market price and a 80% excise tax mark-up rate of gross receipt is imposed upon purchasers of cannabis sold in the state for any sale by a retailer or other operator. The excise tax levied applies to the full price (if non-itemized) of any transaction, without considering any discount from distributors. The distributor is responsible for collecting this tax from the retailer and ensure the excise tax is paid to the CDTFA. This excise tax is in addition to any state and local government sales and use taxes. Gross receipts from the sale of cannabis include the tax. No cannabis may be sold to a purchaser unless the excise tax has been paid at sale. The CDTFA recently determined the cannabis excise tax mark-up rate will continue to be 80% for the next six months beginning January 1, 2021. The CDTFA is responsible for determining a mark-up rate on a biannual basis in six-month intervals. The mark-up rate must be used by distributors to compute the average market price of cannabis or cannabis products sold or transferred to a retailer in an arm's length transaction.

Additionally, there is a post-harvest cultivation tax imposed on all cultivated cannabis that enters the market at a rate of $9.65 per dry-weight ounce for cannabis flowers, $2.87 per dry-weight ounce for cannabis leaves, and $1.35 per ounce for fresh cannabis plant (must be weighted within 2 hours of harvesting). Cannabis cultivators must pay the cultivation tax to their distributor or manufacturer. If the cultivation tax is paid to the manufacturer, the manufacturer must pay the cultivation tax to their distributor. The distributor is responsible for ensuring the cultivation tax is paid to the CDTFA. The CDTFA may establish other categories of harvested cannabis to be taxed at relative value as compared to cannabis flowers. The tax does not apply to cannabis cultivated for personal use or in accordance with the Compassionate Use Act. The rates imposed by the CDTFA are subject to adjustment annually starting in January 1, 2022 for inflation.

Enforcement and Penalties

Failure to comply with regulations may result in penalties for cannabis operators in California. Sources of enforcement authority include, but are not limited to, MAUCRSA, BCC's Disciplinary Guidelines, The CDTFA Guide, and the CDFA Regulations. For example, under MAUCRSA, the Licensing Authorities may suspend, revoke, place on probation with terms and conditions, or otherwise discipline licenses issued by such Licensing Authority and fine an operator, after proper notice and hearing to the business, if the business is found to have committed any of the acts or omissions constituting grounds for disciplinary action.

Taxation Code (the "Cannabis Tax Law"), each county is given the direct power to tax cultivating, manufacturing, producing, processing, preparing, sorting, providing, donating, selling or distributing cannabis by any license holder. In general, the law imposes a ten percent penalty on taxpayers and feepayers for failure to timely pay the tax or fee due, or for filing a late return. In addition to these ten percent penalties, MAUCRSA imposes a penalty of at least fifty percent of the amount of taxes owed for failure to pay the cultivation tax or cannabis excise tax due. However, this may be negated if the CDTFA finds that an operator's delay had reasonable cause, and that the operator was not neglectful in its delay.

In addition to the penalties discussed in MAUCRSA, the BCC has adopted uniform disciplinary guidelines in order to promote consistency in disciplinary orders for similar offenses on a statewide basis, which only apply to formal administrative disciplinary processes. Further, the CDFA has established fines and penalties for violations committed by licensed cultivators, and the administrative penalty for any such violation varies.

ITEM 8: DESCRIPTION OF PROPERTIES

The Company's current facility, operating through its subsidiary JAXX Cannabis in Ramona, CA, is a 2,800 square foot licensed medical cannabis dispensary that is operated under a management agreement with a master lease. The property is only 1 of 4 licensed facilities in San Diego County and is perhaps the more regulated dispensary in California with the monitoring agency being the San Diego County Sheriff's Department. The Company maintains detailed accounting and control records and conducts monthly physical inventory audits under the oversight of the San Diego County Sheriff's Department.

Projected Updates for Q4 2021/Early 2022

1. Adult-use market (Recreational license operational as of Nov 19, 2021)

2. Site development for up to 40,000 square feet utilized for cannabis cultivation; and

3. Micro-Business License, a permit that will allow the Company to act as a licensed distributor, manufacturer, and retailer operations under one roof.

The Company was awarded its second cannabis dispensary license (CUP #317-85) and is currently negotiating for a 3400 square foot location in La Mesa, CA for development and operation. Home to San Diego State University, La Mesa has recently been approved to begin the sale of recreational cannabis.

The Company also holds various intellectual properties, including brand names, trade secrets, proprietary client lists, a premium genetics and cultivation/plant tissue culture expertise.

On April 13, 2022, the Company has entered into an LOI with Gateway SMP, LLC to lease another retail property in San Diego, California.

ITEM 9: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the unaudited financial statements and the notes thereto of the Company included in this Offering Circular. The following discussion contains forward-looking statements. Actual results could differ materially from the results discussed in the forward-looking statements. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" above.

Results of Operations

The period of April 1, 2021 through June 30, 2021 compared to the same period for the previous year.

	Three Months Ended June 30,		Increase (Decrease)	
	2021	2020	$	%
Net revenue	$ 715,877	$ 640,892	$ 74,985	11.70%
Cost of goods sold	316,461	296,213	20,249	6.84%
Gross profit	399,416	344,679	54,737	15.88%
Expenses				
General and administrative	56,119	156,645	(100,526)	-64.17%
Advertising and marketing	38,051	51,379	(13,328)	-25.94%

Rent or lease expense	45,619	45,000	619	1.38%
Licenses and permits	22,885	5,167	17,718	342.93%
Depreciation	3,441	3,895	(454)	-11.65%
Payroll	107,342	50,036	57,305	114.53%
Security services	22,299	17,627	4,672	26.50%
Total expenses	295,756	329,750	(33,994)	-10.31%
Operating Income	103,661	14,929	88,731	594.34%
Interest expense	87	-	87	100.00%
Income (loss) before provision for income taxes	103,573	14,929	88,644	593.76%
Provision for income taxes	-		-	
Net Income	$ 103,573	$ 14,929	$ 88,644	593.76%

Revenue: Increased $74,985 or 11.70%. The increase is attributable to a loosening of restrictions under Covid-19 due to higher vaccination rates among customers in 2021 vs 2020. With customers returning to work, there is more disposable income available for spending.

Cost of Sales: Increased $20,249 or 6.84%. The increase is in line with higher sales revenue and the Company's dedication to procure the highest quality cannabis in order to build a loyal customer base.

Operating Expenses: Decreased $33,994 or 10.31%. This decrease is primarily attributable to reduced legal and professional fees (general & administrative) that were incurred in 2020 for completion of Financial Statement Audits for 2018 through 2020 coupled with the conversion of Prime Harvest Inc from Canadian Ltd to US Corporation.

Results of Operations

The period of January 1, 2021 through June 30, 2021 compared to the same period for the previous year.

	Six Months Ended June 30,		Increase (Decrease)	
	2021	**2020**	**$**	**%**
Net revenue	$ 1,363,766	$ 1,124,197	$ 239,569	21.31%
Cost of goods sold	610,350	533,282	77,068	14.45%
Gross profit	753,416	590,915	162,501	27.50%
Expenses				
General and administrative	143,626	180,588	(36,962)	-20.47%
Advertising and marketing	97,388	101,089	(3,702)	-3.66%
Rent or lease expense	91,023	90,124	899	1.00%
Licenses and permits	35,385	10,167	25,218	248.05%
Depreciation	6,883	7,885	(1,002)	-12.71%
Payroll	199,872	104,430	95,441	91.39%
Security services	48,220	32,183	16,036	49.83%
Total expenses	622,396	526,466	95,929	18.22%
Operating Income	131,020	64,448	66,572	103.29%
Interest expense	175	-	175	100.00%
Income (loss) before provision for income taxes	130,846	64,448	66,397	103.02%
Provision for income taxes			-	
Net Income	$ 130,846	$ 64,448	$ 66,397	103.02%

Revenue: Increased $239,569 or 21.31%. The increase is attributable to a loosening of restrictions under Covid-19 due to higher vaccination rates among customers in the first six months of 2021 vs 2020. With customers returning to work, there is more disposable income available for spending. In addition, advertising spend is consistent between the two periods, but it is strategically allocated towards effective campaigns and promotion deals that are expanding the customer base.

Cost of Sales: Increased $77,068 or 14.45%. The increase is in line with higher sales revenue and gains realized on gross margins through sourcing the highest quality cannabis at cost effective pricing through enhanced supplier relations. The gross margin increased from 52.56% to 55.24% in 2021 vs the same period in 2020.

Operating Expenses: Increased $95,929 or 18.22%. This increase is primarily attributable to higher labor costs licensing fees and security expenses. Licensing Fees are expected to increase annually due to evolving regulations in San Diego County in future year

Liquidity and capital resources

	Six Months Ended June 30,		Increase (Decrease)	
	2021	2020	$	%
Net cash provided by (used in):				
Operating activities	$ 93,542	$ 197,932	$ (104,390)	-52.74%
Investing activities	$ -	$ (73,316)	$ 73,316	-100.00%
Financing activities	$ (78,943)	$ (54,000)	$ (24,943)	46.19%
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 14,599	$ 70,616	$ (56,017)	-79%

The Company had net cash of $ 101,944 as of June 30, 2021.

Cash provided by operating activities decreased $104,390 or 52.74% during the period ended June 30, 2021 compared to the same period in 2020. The decrease is attributable to allocating additional cash towards trade payables associated with inventories. Net cash flows from operations increased in the first six months 2021 vs 2020 due to higher sales revenue and improved margins which generated more cash available to reduce payables.

Cash used by investing activities increased by $73,316 or 100%. This increase is due to the purchase of a vehicle in 2020 ($10,000) as well as investment in a retail license in La Mesa, CA ($63,316) which occurred in 2020. There was no cash used by investing activities in the first six months of 2021.

Cash used by financing activities decreased $24,943 or 46.19%. The decrease in 2021 is due to the re-payment of $18,824 in loans on financing the purchase of a vehicle in 2020. The other financing activities consisted of distributions to owners in the first six months of 2021 compared to distributions in 2020.

The Company completed a Financial Statement Audit by Green Growth CPAs for the years 2018 through 2020. Based on the audit completed, there were no critical audit matters noted and no adverse opinions were issued. See Financial Statements and Audit Opinion attached herein.

Management has evaluated subsequent events, as defined by ASC 855, Subsequent Events, through November 11, 2021 (the date that the interim unaudited financial statements were available to be issued) and concluded that no subsequent events have occurred that would require further recognition in the financial statements.

Plan of Operations

Prime Harvest Inc. is a bold innovative company that delivers distinctive brands, products and exceptional customer experiences. Our focus is to establish innovative technologies that support California retail and state-wide delivery, express pick-up, and compliant e-commerce. Furnishing a true all-in-one delivery management software that offered solutions entailing: E-commerce, POS, CRM & Loyalty, SMS Marketing, and delivery logistics in one platform.

YEAR 1

- 50,000 new users actively engaged within our branded user-friendly ecommerce application;
- Leverage recently approved 40,000 sq. ft. indoor cultivation and microbusiness licenses at Ramona site
- Open La Mesa, CA retail storefront & delivery and. Acquisition of other licensed assets within the cannabis hub of San Diego, CA; and
- Expansion in motion to Los Angeles and Orange County areas.

Trend Information

The Company has continued to grow revenue in spite of the COVID-19 pandemic's impact on the overall economy. There are other winds in the face of economic growth in California and the rest of the country. Due to this, the Company is unable to identify any known uncertainties, demands, commitments, or events involving its business. Unforeseen trends are reasonably likely to have a material effect on its revenues, income, profitability, liquidity, or capital resources could cause the reported financial information in this Offering to not be indicative of future operating results or financial conditions.

Despite this, the Company believes that the market for its products and services will continue to improve if economic conditions in the United States remain consistent or improve, and if the legal sale of cannabis, both medicinally and recreationally, continues to gain general acceptance. Trends in the general market, not specific to the Company, appear to favor a growing industry outlook, with sales of medical and recreational cannabis increasing year over year as more states legalize various uses of cannabis-related products. As a result, the Company sees a good opportunity for growth in its business operations focused on the southern California market. Southern California continues to be a major population center with premium tourist attractions and desirable weather. San Diego is a premium travel/tourist location which the Company can directly target through social media and unique target marketing capabilities.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Critical Accounting Policies

Basis of Accounting

The accounting policies of the Company conform to accounting principles generally accepted in the United States of America ("GAAP") as set forth in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). Unless otherwise specified, references to accounting provisions and GAAP in these notes refer to the requirements of the FASB ASC.

Basis of Combination

The combined financial statements presented herein include assets, liabilities, revenues, and expenses directly attributable to the operations of Prime Harvest Group of Companies. These combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. All significant intracompany transactions and accounts have been eliminated. Certain prior year amounts have been reclassified for consistency with current year presentation.

Significant account judgments, estimates and assumptions

The preparation of the Company's combined financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, in addition to revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting

estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the combined financial statements are described below:

- Estimated useful lives and depreciation of property and equipment.
- Estimate of collectability of outstanding trade receivables and other receivables.
- Recoverability of the Company's net deferred tax assets and any related valuation allowance.

Depreciation of property and equipment is dependent upon estimates of useful lives that are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Evaluations of collectability of trade receivables and other receivables is used by management to determine any necessary reserves to be established over these balances for amounts that ultimately will not be collected.

Deferred tax assets and any valuation allowance against these assets are based on management's expectations that their assets will be utilized in future periods.

New Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09 *Revenue from Contracts with Customers*. The new guidance outlines a comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of the new guidance is that companies are to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance also includes a cohesive set of disclosure requirements intended to provide users of financial statements with comprehensive information about revenue arising from contracts with customers. This new guidance was effective for the Company in 2019, however, in May 2020, the FASB voted to defer the effective date by one year for private companies due to COVID-19. The Company adopted ASU No. 2014-09 On January 1, 2018.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes*. ASU No. 2015-17 requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. This guidance is effective for the period beginning January 1, 2018. The Company early adopted the provisions of ASU No. 2015-17 during the 2018 year.

In February 2016, the FASB issued ASU No. 2016-02 *Leases (Topic 842)*. The new standard requires lessees to record the assets and liabilities arising from all leases in the statement of financial position. Under this new guidance, lessees will recognize a liability for lease payments and a right-of-use asset. When measuring assets and liabilities, a lessee should include amounts related to option terms, such as the option of extending or terminating the lease or purchasing the underlying asset, that are reasonably certain to be exercised. For leases with a term of 12 months or less, lessees are permitted to make an accounting policy election to not recognize lease assets and liabilities. For operating leases, a lessee will recognize a single lease cost on a straight-line basis and classify all cash payments within operating activities in the statement of cash flows. In May 2020, the FASB voted to defer the effective date of this new guidance by one year, to January 1, 2022, for private companies due to COVID-19. Early adoption is permitted. The Company is evaluating the potential impact of this guidance on the combined financial statements and depending on their future plans with respect to various lease extension options as well as purchase options, expect there will likely be a significant effect.

Cash

Cash includes all cash on hand. The Company's cash are maintained at the Company's offices. The Company has no cash equivalents as of June 30, 2021, December 31, 2020 or 2019, respectively.

Restricted Cash

Restricted cash consists of a non-refundable deposit paid at the inception of the lease in 2017 (see note 11). The monies will be used towards the last month's rent or at termination of the lease to cover any other costs as defined by the lease agreement.

Inventories

Inventories are valued at the lower of cost and net realizable value. Costs related to raw materials and finished goods are determined on the first-in, first-out basis. Specific identification and average cost methods are also used primarily for certain packing materials and operating supplies. The Company determined there was no reserve for slow moving and obsolete inventory as of June 30, 2021, December 31, 2020 and 2019, respectively.

Property and Equipment

Property and equipment are stated at cost. Normal repairs and maintenance costs are charged to earnings as incurred and additions and major improvements are capitalized. The cost of assets retired or otherwise disposed of and the related depreciation are eliminated from the accounts in the period of disposal and the resulting gain or loss is credited or charged to earnings.

Depreciation is computed over the estimated useful lives of the related asset type or term of the operating lease using the straight-line method for financial statement purposes. The estimated service lives for property and equipment is as follows:

Category	Useful Life
Property	40 years
Leasehold improvements	Lesser of 15 years or remaining term of lease
Machinery & equipment	3-6 years
Furniture & fixtures	2-10 years
Vehicles	4-5 years

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment and identifiable intangibles with finite useful lives, are periodically evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We look for indicators of a trigger event for asset impairment and pay special attention to any adverse change in the extent or manner in which the asset is being used or in its physical condition. Assets are grouped and evaluated for impairment at the lowest level of which there are identifiable cash flows, which is generally at a location level. Assets are reviewed using factors including, but not limited to, our future operating plans and projected cash flows. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to the assets, compared to the carrying value of the assets. If the sum of the undiscounted future cash flows of the assets does not exceed the carrying value of the assets, full or partial impairment may exist. If the asset carrying amount exceeds its fair value, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset. Fair value is determined using an income approach, which requires discounting the estimated future cash flows associated with the asset.

Income Taxes

Effective January 1, 2019 Prime Harvest, LLC elected to be treated as a C corporation for income tax purposes. The Company accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided on deferred tax assets if it is determined that it is more likely than not that the deferred tax asset will not be realized. The Company records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax expense. The Company records tax positions taken or expected to be taken in a tax return based upon the amount that is more likely than not to be realized or paid, including in connection with the resolution of any related appeals or other legal processes. Accordingly, the Company recognizes liabilities for certain unrecognized tax benefits

based on the amounts that are more likely than not to be settled with the relevant taxing authority. The Company recognizes interest and/or penalties related to unrecognized tax benefits as a component of income tax expense.

Revenue Recognition

Revenue from the direct sale of cannabis goods to customers is recognized when the Company transfers control of the goods to the customer at the point of sale and the customer has paid for the goods. The Company generates revenue at the point in time the goods are transferred to the customer, as the Company has a right to payment, and the customer has significant risks and rewards of such goods therefore performance obligations are satisfied.

Sales and Excise Tax

Sales and excise taxes remitted to tax authorities are government-imposed sales and excise taxes on cannabis goods and related products sold. Sales and excise taxes are not included in the Company's revenues shown in the combined statements of operations. Sales and excise taxes are recognized as a current liability within taxes payable on the accompanying combined balance sheets, with the liability subsequently reduced when the taxes are remitted to the tax authority.

Operating Leases

Operating leases relate to warehouse space, and office space, which generally contain rent escalation clauses, rent holidays, and contingent rent provisions. Rent expense for operating leases is recognized on a straight-line basis over the term of the lease, which is generally four to five years based on the initial lease term, plus first renewal option periods that are reasonably assured.

Straight-line rent is equal to actual rent therefore there is no deferred rent included as a component of other current liabilities or other long-term liabilities, for the non-current portion, in the accompanying balance sheets.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments included in current assets and current liabilities (such as cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term nature of such instruments.

The inputs used to measure fair value are based on a hierarchy that prioritizes observable and unobservable inputs used in valuation techniques. These levels, in order of highest to lowest priority, are described below:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2—Observable prices that are based on inputs not quoted on active markets but corroborated by market data.

Level 3—Unobservable inputs reflecting the Company's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment

Additional Company Matters

The Company has not filed for bankruptcy protection nor has it ever been involved in receivership or similar proceedings. The Company is not presently involved in any legal proceedings material to the business or financial condition of the Company. The Company does not anticipate any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business, in the next twelve (12) months.

Unregistered Sales of Equity Securities and Use of Proceeds

From time to time, the Company issues shares to individuals and entities for services rendered, cash and other consideration. In each instance, the Company relies upon the exemption from registration provided by Section 4(2) of the Securities Act of 1933,

and Rule 506 of Regulation D promulgated thereunder, with respect to the issuance of restricted stock. Purchasers are deemed "accredited investors" and/or "sophisticated investors" pursuant to Section 501(a)(b) and 506, et seq. of the Securities Act, who provide the Company with representations, warranties and information concerning their qualifications as a "sophisticated investor" and/or "accredited investor." The Company provided and makes available to all purchasers full information regarding its business and operations. There is no general solicitation in connection with the offer or sale of the restricted securities. The Purchasers acquire the restricted common stock for their own account, for long term investment purposes and not with a view to public resale or distribution thereof within the meaning of the Securities Act. The restricted shares cannot be sold unless pursuant to an effective registration statement by the Company, or by an exemption from registration requirements of Section 5 of the Securities Act—the existence of any such exemption subject to legal review and approval by the Company.

ITEM 10: DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES

Board of Directors, Executive Officers and Significant Employees

Each director of the Board of Directors shall serve for a term ending on the date of the annual meeting of stockholders following the annual meeting of the stockholders at which such director was elected. Notwithstanding the foregoing, each director shall serve until his or her successor is elected and qualified or until his or her death, resignation or removal. Our officers are appointed by our Board to a term of one year and serve until their successors are duly appointed and qualified, or until the officer is removed from office. Our Board has no nominating, audit or compensation committees.

Set forth below is certain information concerning the directors and executive officers of the Company.

Name	Age	Position
E. Duane Alexander	47	President, Chief Executive Officer and Director
John J. Wilczak	69	Chief Operating Officer and Director
John R. Kazanjian	75	VP of Business Development and Compliance
Johann Balbuena	37	Chief Marketing Officer
Andrea Jenson	42	Chief Financial Officer

E. Duane Alexander is the founder and CEO of Prime Harvest since inception. Duane has served as CEO of Prime Harvest since July 2016. During the early start up stages of Prime Harvest, Duane grew the Company by developing and implementing strategies for commercial space efficiency and cultivation facility design, nutrient schedule implementation, systems integration, project management, vertical integration, productivity and profitability. Prior to Prime Harvest Inc., Alexander founded and managed Golden View Consulting from April 2012 to July 2018, a full-service cannabis licensing and compliance consulting firm. Duane consulted for cannabis licensing applications and acquisition in all legal states, facility buildouts, nutrient formulation, product development, business strategy and development. He founded and managed San Diego Holistic from February 2008 to June 2012. San Diego Holistic served as the largest collective in San Diego with over 25,000 clients. Mr. Alexander has over twenty (20) years of experience in commercial cannabis cultivation, nutrient formulation, plant genetics, product formulations, marketing and retail. In addition, Mr. Alexander consulted and prepared 24+ cannabis applications for the States of Nevada, Oregon, California & Hawaii.

John J. Wilczak has served as our Chief Operations Officer (COO) since June 2018. Mr. Wilczak is executive management, board member and adviser of medical cannabis, healthcare, software/technology and education related companies. He began (Feb 2017) working closely with FARMCO LLC, a leading scientific development company that now produces premium bio stimulants in the form of Humic and fulvic acids for Cannabis based on research done at San Diego State University. Mr. Wilczak joined the board of Prime Harvest in the fall of 2018 and advised on the transition from Canadian British Columbia company to United States Delaware corporation in 2020. Mr. Wilczak also developed relationships with the agricultural community in Santa Barbara County, (2018) helping craft a Hemp Research program at Allen Hancock College for the County of Santa Barbara. He also provides advisory services (June 2017 to present) to TW Land Planning, perhaps the leading land planner and licensure advisory in the Ventura, Santa Barbara area. Mr. Wilczak earned a Bachelor of Arts degree from Brown University '74 and an MBA Degree from Columbia University '78. John took Metatools public on NASDAQ '95 as founder, Chairman and CEO backed by Microsoft Co-Founder Paul Allen as well as Founding Sinus Pharmacy (2000) which was sold in 2004 to fund Sinus Pharmaceuticals.

Andrea Jenson has served as our Chief Financial Officer since January 2022. As chief financial officer (CFO), Andrea Jenson is responsible for all the Company's financial functions, including accounting, corporate finance and investor relations. Her career spans more than 20 years of varied experience in financial management, business leadership and financial strategy. Since January 2016 she has been working at The Cashflow CEO, which is a company she founded that provides overall financial planning for clients. Prior to joining Prime Harvest, LLC, Andrea served as the CFO for several industries including Consulting, Hospitality, Technology and Retail. Earlier in her career, Andrea worked with CPA Firms where she prepared tax returns and financial statements with GAAP reporting. Andrea holds a Business Administration Degree in International Business and Accounting from Alliant International University, and an Accounting Certificate from the University of California San Diego.

John R. Kazanjian has served as the VP of Business Development and Compliance for Prime Harvest since July 2016. John manages Prime Harvest's licensing acquisition, real estate development and compliance management programs. Mr. Kazanjian is a real estate development planning expert with almost 50 years of hands-on experience in the industry, beginning in 1972 as Mega Coffield Kazanjian Inc. He currently directs Landmarkers Development Group, which was founded in 2014. That company provides strategic guidance during all phases of the real estate development process. Mr. Kazanjian earned a Bachelor of Science degree (a B.S.) from Rutgers University and a Master's degree in Regional Planning and Landscape Architecture (an M.L.A.) from Harvard University.

Johann Balbuena has served as our Chief Marketing Officer since January 2019. Between April 2017 to December 2018, she worked as a license acquisition and compliance management specialist at the Company. Balbuena founded and manages Synergy, a multi-media production marketing consultancy company serving the California cannabis market. Balbuena is the author of *"The Successful Canna-preneur"*. She co-founded the multi-million-dollar Latinx food producer, Palenque Provisions in 2009. Her educational degrees include a Master's degree in Business Administration, a Master's degree in Information Systems Management, a B.S in Marketing, and a B.S. in Media Production. Johann is a US Navy Veteran.

There are no family relationships or legal proceedings amongst the executive officers and Directors.

Committees

We do not have a standing nominating, compensation or audit committee. Rather, our full Board of Directors performs the functions of these committees. We do not believe it is necessary for our Board of Directors to appoint such committees because the volume of matters that come before our Board of Directors for consideration permits the directors to give sufficient time and attention to such matters to be involved in all decision making. Additionally, because our common stock is not listed for trading or quotation on a national securities exchange, we are not required to have such committees.

Code of Ethics

Our board of directors has adopted a Code of Conduct for all Company personnel, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of this Code of Conduct may be found on our website at https://primeharvestinc.com. The inclusion of our website address anywhere in this Offering Circular does not incorporate by reference the information on or accessible through our website into this Offering Circular.

ITEM 11: COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Executive Compensation

As of 2019, the Company has paid $189,895.87 in compensation to its executive officers and $0.00 to its directors. The Company may choose to compensate the present directors in the future, as well as compensate future directors, in the Company's discretion.

Name	Capacities in which compensation was received	Cash Compensation	Other compensation	Total compensation
Eulenthius Duane Alexander	CEO	244,436.27	0	244,436.27
John J. Wilczak	COO	41,894.78	0	41,894.78
Johann M. Balbuena	CMO	69,000.00	0	69,000.00

Employment Agreements

None of the other officers or directors have an employment agreement with us. We may enter into employment agreements with those or others in the future. A stock incentive program for our directors, executive officers, employees and key consultants may be established in the future.

Upon completion of the Reg A capital raise, the Company plans on implementi8ng the following compensation schedule for executives:

Position	Salary
CEO	400,000.00
COO	200,000.00
CFO	200,000.00
CMO	180,000.00

Stock Incentive Plan

In the future, we may establish a management stock incentive plan pursuant to which stock options and awards may be authorized and granted to our directors, executive officers, employees and key employees or consultants. Details of such a plan, should one be established, have not been decided yet although the Company currently plans to allocate up to 10% of its capitalization for such purpose. Stock options or a significant equity ownership position in us may be utilized by us in the future to attract one or more new key senior executives to manage and facilitate our growth.

Board of Directors

The Company's Board currently consists of two (2) directors: E. Duane Alexander and John J. Wilczak. Neither of the Company's directors are "independent" as defined by listing and other standards. The Company may appoint additional independent directors to its board of directors in the future, particularly to serve on committees should they be established.

Committees of the Board of Directors

The Company may establish an audit committee, compensation committee, a nominating and governance committee and other committees to its Board in the future, but have not done so as of the date of this Offering Circular. Until such committees are established, matters that would otherwise be addressed by such committees will be acted upon by the entire Board.

Director Compensation

The Company currently does not pay its directors any compensation for their services as board members, with the exception of reimbursing board related expenses. In the future, the Company may compensate directors, particularly those who are not also employees and who act as independent board members, on either a per meeting or fixed compensation basis.

Limitation of Liability and Indemnification of Officers and Directors

The Company's Bylaws limit the liability of directors and officers of the Company to the maximum extent permitted by Delaware law. The By-laws state that the Company shall indemnify its directors and executive officers to the fullest extent not prohibited by Delaware or any other applicable law; provided, however, that the Company may modify the extent of such indemnification by individual contracts with its directors and executive officers. The Company also has the power to indemnify its other officers, employees and other agents as set forth in Delaware and any other applicable law.

There is no pending litigation or proceeding involving any of the Company's directors or officers as to which indemnification is required or permitted, and the Company is not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

ITEM 12: SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN SECURITYHOLDERS

The following table sets forth information about the beneficial ownership of our common stock at May 2, 2022, as adjusted to reflect the sale of 10,000,000 shares of our Common Stock in this Offering, assuming the Maximum Offering Amount is sold, for:

- each person known to us to be the beneficial owner of more than 10% of our Common Stock;
- each named executive officer;
- each of our directors; and
- all of our executive officers and directors as a group.

Unless otherwise noted below, the address for each beneficial owner listed on the table is in care of Prime Harvest, Inc.,

We have determined beneficial ownership in accordance with the rules of the SEC. We believe, based on the information furnished to us, that the persons and entities named in the tables below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws.

	Shares Beneficially Owned Prior to the Offering[1]	Percentage of Shares Beneficially Owned[2]	
		Before Offering	After Offering[7]
Name of Beneficial Owner			
Named Executive Officers and Directors:			
E. Duane Alexander [3]	23,268,778	59.14%	47.16%
John J. Wilczak [4]	390,000	*%	*%
John Kazanjian [5]	500,000	1.27%	1.01%
Johann Balbuena [6]	500,000	1.27%	1.01%
Andrea Jenson [7]	0	0	-
All named executive officers and directors as a group (4 persons)	24,658,778	62.67%	49.97%

* less than one percent

(1) Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Pursuant to Rules 13d-3 and 13d-5 of the Exchange Act, beneficial ownership includes any shares as to which a shareholder has sole or shared voting power or investment power, and also any shares which the shareholder has the right to acquire within 60 days, including upon exercise of common shares purchase options or warrants. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

(2) Based on 39,344,996 shares of the Company's common stock issued and outstanding as of May 3, 2022.

(3) Mr. E. Duane Alexander is the Company's President and Chief Executive Officer, Chief Financial Officer and a Director.

(4) Mr. John J. Wilczak is the Company's Chief Operating Officer and a Director.

(5) Mr. John Kazanjian is the Company's Vice President for Business Development and Compliance.

(6) Ms. Johann Balbuena is the Company's Chief Marketing Officer.

(7) Ms. Andrea Jenson is the Company's Chief Financial Officer.

(8) Assumes the sale of all 10,000,000 shares of our common stock in this Offering.

ITEM 13: INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

None.

ITEM 14: SECURITIES BEING OFFERED

The Company is offering up to approximately 10,000,000 of its Shares of Common Stock to investors in this Offering. The Shares being offered are non-voting shares of stock in the Company. The full rights and privileges of the Shares of Common Stock are set out in the Bylaws. All shares of common stock of the Company are held in book entry form without certificates. The Shares being sold in this Offering, when issued, will be fully paid and non-assessable. This Offering Circular and this section do not purport to give a complete description of all rights related to the Shares of Common Stock and is qualified in its entirety by the provisions of the Company's Bylaws, a copy of which has been attached as an exhibit to this Offering Circular.

If all of the Shares in this Offering are sold, the Shares sold would represent approximately twelve percent (12%) of the issued and outstanding combined shares of common stock of the Company. The Offering will remain open for 365 days from the date of this Offering Circular, unless terminated for any reason at the discretion of the Company, or unless extended for up to an additional three hundred and sixty-five (365) days by the Company.

There are no other classes of shares in the Company as of the date of this Offering Circular. The Company does not expect to create any additional classes of shares during the next twelve (12) months, but the Company is not limited from creating additional classes which may have preferred dividend, voting and/or liquidation rights or other benefits not available to holders of its Shares.

Subscription Price

The price per Share of Common Stock in this Offering is four dollars and twenty cents ($4.20) per Share. The minimum subscription that will be accepted from an investor is four hundred and twenty dollars ($420.00) (the "Minimum Subscription"), however, the Company reserves the right to accept a lower amount in the Company's absolute discretion.

A subscription for four hundred twenty dollars ($420.00) or more in Shares may be made only by tendering to the Company an executed Subscription Agreement delivered with this Offering Circular and the subscription price in a form acceptable to the Company. The execution and tender of the documents required, as detailed in the materials, constitutes a binding offer to purchase the number of Shares stipulated herein and an agreement to hold the offer open until the offer is accepted or rejected by the Company.

The subscription price of the Shares has been arbitrarily determined by the Company's management without regard to the Company's assets or earnings or the lack thereof, book value or other generally accepted valuation criteria and does not represent nor is it intended to imply that the Shares being offered have a market value or could be resold at that price, even if a sale were permissible. The valuation was arbitrarily determined by the Company, and not by an independent third party applying a specified valuation criteria. The subscription price is payable in check, wire transfer, ACH, credit or debit card payment or some other form acceptable to the Company as set out in this Offering Circular.

Voting Rights

Holders of our Common Stock are entitled to one vote per share on any matter to be voted upon by stockholders. We have not provided for cumulative voting for the election of directors in our amended and restated certificate of incorporation.

Indemnification Clause in Subscription Agreement

The subscription agreement you must sign to invest in this Offering (the "Subscription Agreement") contains an indemnification clause. The clause provides that you agree to indemnify and hold harmless the Company and all of its affiliates, attorneys, accountants, employees, officers, directors, broker-dealers, placement agents, shareholders and other agents from any liability, claims, costs, damages, losses or expenses incurred or sustained by them as a result of your representations and warranties being made when you sign the Subscription Agreement or otherwise being untrue or inaccurate, or because of a breach of the Subscription Agreement by you. By signing the Subscription Agreement, you also grant to the Company the right to set off against any amounts payable by the Company to you, for whatever reason, of any and all damages, costs and expenses (including, but not limited to, reasonable attorney's fees) which are incurred by the Company or any of its affiliates as a result of matters for which the Company is indemnified pursuant to the Subscription Agreement. If the Company were to enforce this clause against an investor, in all likelihood the matter would be litigated in the State of California applying Delaware law, unless it is a legal action arising under the Securities Act of 1933 or the Securities Exchange Act of 1934. If the matter were litigated in a court of law, a judge or jury would determine the validity of the Company's claim, and the amount of damages you would owe the Company, if any.

Jurisdiction of Disputes

The Subscription Agreement contains forum selection provisions identifying the state of California as the exclusive forum for certain legal actions. This provision does not apply to legal actions arising under the Securities Act of 1933 or the Securities Exchange Act of 1934.

Additional Matters

The Shares will not be subject to further calls or assessment by the Company. There are no restrictions on alienability of the Shares of Common Stock in the corporate documents other than those disclosed in this Offering Circular. The Company intends to engage Attorney to serve as the transfer agent and registrant for the Shares.

The Shares are held in book entry form and are uncertificated and, as such, will not contain legends, as such would exist on a stock certificate. However, the language of any such legends applicable to the Shares of Common Stock and as set out in this Offering Circular or in the Bylaws, will apply to each Share of Common Stock and shall govern the purchaser and holder of each such Share.

There is no minimum number of Shares that needs to be sold in this Offering in order for funds to be released to the Company and for this Offering to hold its first closing.

There are no other liquidation rights, preemptive rights, conversion rights, redemption provisions, sinking fund provisions, impacts on classification of the Board where cumulative voting is permitted or required related to the Shares of Common Stock, provisions discriminating against any existing or prospective holder of the Shares as a result of such investor owning a substantial amount of securities, or rights of investors that may be modified otherwise than by a vote of a majority or more of the shares outstanding, voting as a class defined in any corporate document as of the date of filing of this Offering Circular.

INVESTOR ELIGIBILITY STANDARDS

The Shares will be sold only to a person who is not an accredited investor if the aggregate purchase price paid by such person is no more than 10% of the greater of such person's annual income or net worth, not including the value of his primary residence, as calculated under Rule 501 of Regulation D promulgated under Section 4(a)(2) of the Securities Act of 1933, as amended. In the case of sales to fiduciary accounts (Keogh Plans, Individual Retirement Accounts ("IRAs") and Qualified Pension/Profit Sharing Plans or Trusts), the above suitability standards must be met by the fiduciary account, the beneficiary of the fiduciary account, or by the donor who directly or indirectly supplies the funds for the purchase of the Shares. Investor suitability standards in certain states may be higher than those described in this Offering Circular. These standards represent minimum suitability requirements for prospective investors, and the satisfaction of such standards does not necessarily mean that an investment in the Company is suitable for such persons.

Each investor must represent in writing that he/she meets the applicable requirements set forth above and in the Subscription Agreement, including, among other things, that (i) he/she is purchasing the Shares for his/her own account and (ii) he/she has such knowledge and experience in financial and business matters that he/she is capable of evaluating without outside assistance the merits and risks of investing in the Shares, or he/she and his/her purchaser representative together have such knowledge and experience that they are capable

of evaluating the merits and risks of investing in the Shares. Transferees of the Shares will be required to meet the above suitability standards.

All potential purchasers of the Shares will be required to comply with know-your-customer and anti-money laundering procedures to comply with various laws and regulations, including the USA Patriot Act. The USA Patriot Act is designed to detect, deter and punish terrorists in the United States and abroad. The Act imposes anti-money laundering requirements on brokerage firms and financial institutions. Since April 24, 2002, all United States brokerage firms have been required to have comprehensive anti-money laundering programs in effect. To help you understand these efforts, the Company wants to provide you with some information about money laundering and the Company's efforts to help implement the USA Patriot Act.

Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering and terrorism. The use of the United States financial system by criminals to facilitate terrorism or other crimes could taint its financial markets. According to the United States State Department, one recent estimate puts the amount of worldwide money laundering activity at $1 trillion a year. As a result, the Company believes it is very important to fully comply with these laws.

By submitting a subscription agreement to the Company, you will be agreeing to the following representations. You should check the Office of Foreign Assets Control (the "OFAC") website at http://www.treas.gov/ofac before making the following representations:

(1) You represent that the amounts invested by you in this Offering were not and are not directly or indirectly derived from any activities that contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. Federal regulations and Executive Orders administered by the OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of the OFAC-prohibited countries, territories, individuals and entities can be found on the OFAC website at http://www.treas.gov/ofac. In addition, the programs administered by the OFAC (the "OFAC Programs") prohibit dealing with individuals or entities in certain countries, regardless of whether such individuals or entities appear on any OFAC list,

(2) You represent and warrant that none of: (a) you; (b) any person controlling or controlled by you; (c) if you are a privately-held entity, any person having a beneficial interest in you; or (d) any person for whom you are acting as agent or nominee in connection with this investment is a country, territory, entity or individual named on an OFAC list, or a person or entity prohibited under the OFAC Programs. Please be advised that the Company may not accept any subscription amounts from a prospective purchaser if such purchasers cannot make the representation set forth in the preceding sentence. You agree to promptly notify the Company should you become aware of any change in the information set forth in any of these representations. You are advised that, by law, the Company may be obligated to "freeze the account" of any purchaser, either by prohibiting additional subscriptions from it, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations, and that the Company may also be required to report such action and to disclose such purchaser's identity to the OFAC,

(3) You represent and warrant that none of: (a) you; (b) any person controlling or controlled by you; (c) if you are a privately-held entity, any person having a beneficial interest in you; or (d) any person for whom you are acting as agent or nominee in connection with this investment is a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure, as such terms are defined in the footnotes below; and

(4) If you are affiliated with a non-U.S. banking institution (a "Foreign Bank"), or if you receive deposits from, make payments on behalf of, or handle other financial transactions related to a Foreign Bank, you represent and warrant to the Company that: (a) the Foreign Bank has a fixed address, and not solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (b) the Foreign Bank maintains operating records related to its banking activities; (c) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct its banking activities; and (d) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

To comply with various laws and regulations related to the cannabis industry in California, you will also have to provide the Company with your name, birthdate, social security number or tax identification number and your government-issued identification type and number. By investing in the Company, you will be considered a "financial interest" holder under various California cannabis laws and

regulations, and thus your name and other personal information must be disclosed by the Company to various California regulatory agencies. As a financial interest holder, your name and other information will be listed on various applications for licensure for the Company, for example. While the Company will use its best efforts to protect your private information, the Company has no control over the information once it passes it along to the various California agencies.

If you invest in the Company through a company or entity such as a limited liability company, or through any multi-layer business structure, the company or entity, as well as the chief executive officer, members of the board of directors, partners, trustees and all persons who have control of a trust, and managing members or non-member managers of the entity must be disclosed to various California governmental entities and will be listed on various applications for licensure for the Company, for example. Each entity disclosed as having a financial interest must disclose the identities of persons holding financial interests until only individuals remain, whether the entity is a single member entity, or if it is a multi-layer entity.

Furthermore, California law prohibits certain people from having any ownership interest, directly or indirectly, in any business to be operated or conducted under a cannabis license. As such, by signing the Company's subscription agreement, you will verify and attest that you are not (a) a person holding office in, or employed by, any agency of the State of California or any of its political subdivisions where your duties have to do with the enforcement of California cannabis laws and regulations or any other penal provisions of law of California prohibiting or regulating the sale, use, possession, transportation, distribution, testing, manufacturing, or cultivation of cannabis goods; or (b) a person employed in the State of California Department of Justice as a peace officer, in any district attorney's office, in any city attorney's office, in any sheriff's office, or in any local police department. By signing the Subscription Agreement, you will also agree to immediately notify the Company in writing if, at any time in the future, you become a person employed by or holding office for the entities described above so the Company may make appropriate arrangements with you to have you removed as a financial interest holder of the Company. If you misrepresent to the Company by signing the Subscription Agreement, intentionally or unintentionally, that you are not a person who is employed by or holds office for the entities described above when in fact you are, or if you become a person who is employed by or holds office for the entities described above in the future and fail to immediately notify the Company in writing of such fact, and the Company is damaged in any manner whatsoever as a result of being unaware of you being a financial interest holder in the Company because of your failure to disclose at this time, or to notify the Company in the future if your status changes, you will agree by signing the Subscription Agreement (i) to indemnify the Company for any and all costs, expenses, legal fees or other damages caused by your failure to disclose your present status or by your failure to notify the Company if your status changes in the future, and (ii) to hold the Company harmless for any and all costs, expenses, legal fees or other damages the Company incurs caused by your failure to disclose your present status or to notify the Company if your status changes in the future.

The Company is entitled to rely upon the accuracy of your representations. The Company may, but under no circumstances will it be obligated to, require additional evidence that a prospective purchaser meets the standards set forth above at any time prior to its acceptance of a prospective purchaser's subscription. You are not obligated to supply any information so requested by the Company, but the Company may reject a subscription from you or any person who fails to supply such information.

DISQUALIFYING EVENTS DISCLOSURE

Recent changes to Regulation A promulgated under the Securities Act prohibit an issuer from claiming an exemption from registration of its securities under such rule if the issuer, any of its predecessors, any affiliated issuer, any director, executive officer, other officer participating in the offering of the interests, general partner or managing member of the issuer, any beneficial owner of 20% or more of the voting power of the issuer's outstanding voting equity securities, any promoter connected with the issuer in any capacity as of the date hereof, any investment manager of the issuer, any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with such sale of the issuer's interests, any general partner or managing member of any such investment manager or solicitor, or any director, executive officer or other officer participating in the offering of any such investment manager or solicitor or general partner or managing member of such investment manager or solicitor has been subject to certain "Disqualifying Events" described in Rule 506(d)(1) of Regulation D subsequent to September 23, 2013, subject to certain limited exceptions. The Company is required to exercise reasonable care in conducting an inquiry to determine whether any such persons have been subject to such Disqualifying Events and is required to disclose any Disqualifying Events that occurred prior to September 23, 2013 to investors in the Company. The Company believes that it has exercised reasonable care in conducting an inquiry into Disqualifying Events by the foregoing persons and is aware of the no such Disqualifying Events.

It is possible that (a) Disqualifying Events may exist of which the Company is not aware and (b) the SEC, a court or other finder of fact may determine that the steps that the Company has taken to conduct its inquiry were inadequate and did not constitute reasonable care. If such a finding were made, the Company may lose its ability to rely upon exemptions under Regulation A, and, depending on the circumstances, may be required to register the Offering of the Company's Common Stock with the SEC and under applicable state securities laws or to conduct a rescission offer with respect to the securities sold in the Offering.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), is a broad statutory framework that governs most U.S. employee benefit plans, such as pensions. ERISA and the rules and regulations of the United States Department of Labor ("DOL") issued under ERISA contain provisions that should be considered by fiduciaries of employee benefit plans subject to the provisions of Title I of ERISA ("ERISA Plans") and their legal advisors. Additionally, the Code imposes certain prohibitions on fiduciaries who invest the assets of ERISA Plans, as well as other benefit plans and arrangements, including individual retirement accounts ("IRAs") and retirement plans for self-employed individuals ("Keogh plans"). (ERISA Plans and benefit plans subject to the Code are hereafter collectively referred to in this section as "Plans.") Non-U.S. employee benefit plans, plans of U.S. governmental entities and certain church plans, while not subject to ERISA, may nevertheless be subject to state, local, or other U.S. federal laws or non-U.S. laws that are substantially similar in effect to the foregoing provisions of ERISA or the Code ("Similar Laws").

The following discussion of certain ERISA and Code considerations is based on statutory authority and judicial and administrative interpretations as of the date hereof and is designed only to provide a general understanding of the basic issues. Accordingly, this discussion should not be considered legal, tax, or accounting advice, and trustees and other fiduciaries of Plans considering an investment in Shares of Common Stock are encouraged to consult their own legal advisors on these matters.

Fiduciary Duties

The investing fiduciary of an ERISA Plan must consider whether the ERISA Plan's acquisition of Shares of Common Stock satisfies the requirements set forth in Part 4 of Title I of ERISA, including the requirements that (1) the investment satisfy the prudence and diversification standards of ERISA, (2) the investment be solely in the best interests of the participants and beneficiaries of the ERISA Plan, (3) the investment be permissible under the terms of the ERISA Plan's investment policies and governing trust and other instruments, and (4) the investment does not give rise to a non-exempt prohibited transaction under ERISA or Section 4975 of the Code. In light of the current legal status of cannabis cultivation and distribution in the U.S. and the rapidly evolving regulatory landscape, fiduciaries responsible for investing ERISA Plan assets should fully review the risks associated with an investment in Shares of Common Stock (see, generally, *"Risk Factors,"* above), and should consult with legal counsel and accounting professionals prior to making investment in Shares of Common Stock. (See *"Risks Related to the Regulatory Environment"* above.)

In determining whether an investment in Shares of Common Stock is prudent for ERISA purposes, in addition to the matters discussed in the preceding paragraph, a fiduciary of an ERISA Plan should consider all relevant facts and circumstances including, without limitation, possible limitations on the transferability of Shares of Common Stock, whether the investment provides sufficient liquidity in light of the foreseeable needs of the ERISA Plan, and whether the investment is reasonably designed, as part of the ERISA Plan's portfolio, to further the ERISA Plan's purposes, taking into consideration the risk of loss and the opportunity for gain (or other return) associated with the investment.

Fiduciaries contemplating an investment in Shares of Common Stock on behalf of IRAs, Keogh plans or other arrangements that are exempt from ERISA, may be subject to U.S. state law that is substantially similar in effect to the fiduciary requirements of ERISA.

Prohibited transactions issues

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Plan and certain persons (referred to as "parties in interest" for purposes of ERISA or "disqualified persons" for purposes of the Code) having specified relationships to Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a non-exempt prohibited transaction with a Plan may be subject to non-deductible excise taxes and other penalties and liabilities under ERISA and the Code, and the transaction would likely have to be rescinded. In addition, a fiduciary who causes an ERISA Plan to engage in a non-exempt prohibited transaction may be personally liable for any resultant loss incurred by the ERISA Plan

and may be subject to other potential remedies. Moreover, pursuant to Section 408(e)(2) of the Code, the tax-exempt status of an IRA could be lost under the circumstances described in such Section if a transaction is prohibited. Government plans and church plans should consult counsel about prohibited transactions under Similar Laws.

Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code afford Plans a limited exemption from the prohibited transaction rules for the acquisition and disposition of stock, provided that neither the party in interest or disqualified person nor certain of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction, and provided further that the Plan pays no more and receives no less than "adequate consideration" in connection with the transaction.

In addition, the DOL has issued certain class exemptions to the prohibited transactions rules under Section 406 of ERISA and Section 4975 of the Code which exemptions are often of general applicability to many transactions, such as, Prohibited Transaction Exemption ("PTE") 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), or PTE 96-23 (a class exemption for certain transactions effected by specific in-house asset managers). Other exemptions may be found on the DOL's website or published in the Federal Register. There can be no assurance that the conditions of any exemptions will be satisfied in the acquisition of Shares of Common Stock.

Plan Asset Considerations

If the assets of the Company were considered to be assets of any Plan investing in Shares of Common Stock ("Plan Assets"), the Company's management might be determined to be fiduciaries of the Plan with respect to such investment. In this event, the operation of the Company could become subject to the restrictions of the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and/or the prohibited transaction rules of Section 4975 of the Code.

The DOL has promulgated a final regulation under ERISA, 29 C.F.R. § 2510.3-101 (as modified by ERISA Section 3(42), the "Plan Assets Regulation"), that provides guidelines as to whether, and under what circumstances, the underlying assets of an entity, such as the Company, will be deemed to constitute Plan Assets for purposes of applying the fiduciary requirements of Title I of ERISA (including the prohibited transaction rules of Section 406 of ERISA) and the prohibited transaction provisions of Code Section 4975.

Under the Plan Assets Regulation, the assets of an entity in which a Plan makes an equity investment will generally be deemed to be assets of such Plan (commonly called "the look through rule") unless the entity satisfies one of the exceptions to this general rule. Generally, the exceptions require that the investment in the entity be one of the following:

- in securities issued by an investment company registered under the Investment Company Act;
- in "publicly offered securities," defined generally as interests that are "freely transferable," "widely held" and registered with the SEC;
- in an "operating company" which includes "venture capital operating companies" and "real estate operating companies;" or
- in which equity participation by "benefit plan investors" is not significant.

The Shares of Common Stock will constitute an "equity interest," but would be unlikely to constitute "publicly offered securities" for purposes of the Plan Assets Regulation. Moreover, the Company is not a registered under the Investment Company Act. The Company believes, however, that an investment in Shares of Common Stock would satisfy the exception to the look through rule for investments in an operating company. Under the Plan Assets Regulation, an entity is an "operating company" if it is primarily engaged, directly or through a majority-owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital.

In the event the Company is not determined to be an operating company, it will endeavor to restrict investments by "benefit plan investors" to levels that are not "significant" in order to satisfy that exception to the look through rule. Under the Plan Assets Regulation, the term "benefit plan investor" is defined as (a) any employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to

the provisions of Title I of ERISA, (b) any plan as described in and subject to Section 4975 of the Code, and (c) any entity, such as a private equity fund, whose underlying assets include plan assets by reason of a plan's investment in the entity (to the extent of such plan's investment in the entity). Investments by benefit plan investors are considered "significant" if immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of equity interests in the entity is held by the benefit plan investors (the "25% Limit"). For purposes of this determination, the value of equity interests held by a person (other than a benefit plan investor) that has discretionary authority or control with respect to the assets of the entity or that provides investment advice for a fee with respect to such assets (or any affiliate of such a person) is disregarded. To remain under the 25% Limit, the Company reserves the right to reject, redeem or void any investment by benefit plan investors, but cannot guarantee that benefit plan investors ownership of Shares of Common Stock will be kept to levels that are not "significant."

Shares of Common Stock sold by the Company may be purchased or owned by investors investing Plan assets or the assets of plans subject to Similar Laws. Nevertheless, the Company's acceptance of any such investment should not be considered to be a determination or representation by the Company or any of its affiliates that such an investment is appropriate or advisable for such investor.

Plan investors will be required to make such representations as may be required by the Company to confirm their understanding of and compliance with the foregoing, including that neither the acquisition nor holding of Shares of Common Stock by the plan will constitute a non-exempt prohibited transaction under ERISA, the Code or Similar Laws.

EXPERTS

Legal

The validity of the securities offered in this Offering Circular are being passed upon for us by Carter Ledyard & Milburn LLP has acted as securities counsel to the Company.

Tax/Auditors

The balance sheet of the Company and its subsidiaries included in this Offering Circular and elsewhere in the offering statement of which this Offering Circular forms a part have been so included in reliance upon the report (which contains an explanatory paragraph relating to the Company's ability to continue as a going concern as discussed in Note 2 to the financial statement) of Green Growth CPA, independent registered public accountants, upon the authority of said firm as experts in auditing and accounting.

TAXATION ISSUES

NO INFORMATION CONTAINED HEREIN, NOR IN ANY PRIOR, CONTEMPORANEOUS OR SUBSEQUENT COMMUNICATION SHOULD BE CONSTRUED BY A PROSPECTIVE INVESTOR AS LEGAL OR TAX ADVICE. WE ARE NOT PROVIDING ANY TAX ADVICE AS TO THE ACQUISITION, HOLDING OR DISPOSITION OF THE SECURITIES OFFERED HEREIN. IN MAKING AN INVESTMENT DECISION, INVESTORS ARE STRONGLY ENCOURAGED TO CONSULT THEIR OWN TAX ADVISOR TO DETERMINE THE U.S. FEDERAL, STATE AND ANY APPLICABLE FOREIGN TAX CONSEQUENCES RELATING TO THEIR INVESTMENT IN OUR SECURITIES. THIS WRITTEN COMMUNICATION IS NOT INTENDED TO BE "WRITTEN ADVICE", AS DEFINED IN CIRCULAR 230 PUBLISHED BY THE U.S. TREASURY DEPARTMENT.

As noted above, this Offering Circular is not providing, or purporting to provide any tax advice to anyone. Every potential investor is advised to seek the advice of his, her or its own tax professionals before making this investment.

The Company is taxed as a corporation under the U.S. Federal Tax Code. As such, the Company will be subject to federal income tax on its profits and losses prior to dividends being paid to investors. The dividends, if any, will likely be treated as a corporate distribution of equity. Corporate distributions of equity are not deductible to the corporation but are generally taxable to the shareholder, subject to various exceptions and limitations.

Investors are advised to consult their financial and tax advisers to determine if an investment in the Company makes sense for their specific financial and tax situation.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a Regulation A Offering Statement on Form 1-A, which includes exhibits, schedules and amendments, under the Securities Act, with respect to this offering of securities. Although this Offering Circular, which forms a part of the Form 1-A, contains all material information included in the Form 1-A, parts of the Form 1-A have been omitted as permitted by rules and regulations of the SEC. We refer you to the Form 1-A and its exhibits for further information about us, our securities and this Offering. The SEC maintains a website at http://www.sec.gov, which contains the Form 1-A and other reports, proxy and information statements and information regarding issuers that file electronically with the SEC.

We are currently subject to ongoing disclosure requirements under Rule 257 of Regulation A, which includes annual reports on Form 1-K, semi-annual reports on Form 1-SA and current reports on Form 1-U. All of our other reports filed with the SEC, can be inspected and copied at the public reference room and on the SEC's website referred to above. We intend to file a registration statement on Form 8-A to become subject to the information and periodic reporting requirements of the Exchange Act and, accordingly, would be required to file annual reports containing financial statements audited by an independent public accounting firm, quarterly reports containing unaudited financial data, current reports, proxy statements and other information with the SEC pursuant to the Exchange Act.

COMBINED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 & 2019

PRIME HARVEST INC.
Combined Financial Statements
As of and for the year ended December 31, 2020 & 2019

To the Board of Directors and Shareholders
of Prime Harvest, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Prime Harvest Group of Companies as of December 31, 2020 and 2019, and the related statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2020, and the related notes collectively referred to as the financial statements. In our opinion, the financial

statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there were no critical audit matters.

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

Los Angeles, California

April 23, 2021

Prime Harvest Inc.
Combined Balance Sheets
As of December 31,

	2020	2019
ASSETS		
Current assets		
Cash on hand	$ 69,846	$ 172,382
Restricted Cash	17,500	17,500
Prepaid Expenses	11,358	-
Inventories	89,759	63,785
Total current assets	188,462	253,667
Property and equipment - net	71,717	51,755
Other assets	470,988	415,902

TOTAL ASSETS	**$ 731,167**	**$ 721,323**
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable	$ 758,598	$ 327,116
Accounts Payable Other current liabilities	162,153	78,490
Related party loan	25,000	25,000
Current portion of long-term debt	6,298	5,365
Total current liabilities	952,049	435,971
Long-term debt - net	15,156	2,930
Total liabilities	967,205	438,901
Members' equity	(236,038)	282,422
Total liabilities and members' equity	**$ 731,167**	**$ 721,323**

See Accompanying Notes to the Combined Financial Statements

Prime Harvest Inc.
Combined Statements of Operations
For the Years Ended December 31,

	2020	2019
Net revenue	2,389,476	$ 772,861
Cost of goods sold	1,120,448	369,759
Gross profit	1,269,029	403,102
Expenses		
General and administrative	599,291	65,461
Advertising and marketing	254,360	140,545
Rent or lease expense	180,124	195,373
Licenses and permits	49,817	9,050
Depreciation	14,545	11,717
Payroll	287,003	64,336
Security services	78,423	71,213
Total expenses	1,463,562	557,694
Operating loss	(194,533)	(154,592)
Interest expense	2,829	21,933
Loss on Divestiture of Investment	-	1,671,190
Loss before provision for income taxes	(197,362)	(1,847,715)
Provision for income taxes	268,096	86,251
Net loss	$ (465,458)	$ (1,933,966)

See Accompanying Notes to the Combined Financial Statements

Prime Harvest Inc.
Combined Statements Changes in Members' Equity
For the Years Ended December 31, 2020 and 2019

Balance December 31, 2018	2,232,171
Net income (loss)	(1,933,966)
Member distributions	(43,357)
Member contributions	27,574
Balance December 31, 2019	$ 282,422
Net income (loss)	(465,458)
Member distributions	(59,000)
Member contributions	5,999
Balance December 31, 2020	$ (236,037)

See Accompanying Notes to the Combined Financial Statements

Prime Harvest Inc.
Combined Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash flow from operating activities		
Net Income	$ (465,458)	$ (1,933,966)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	14,545	11,717
Net changes in operating assets and liabilities		
Prepaid assets	(11,358)	-
Inventory	(25,974)	(35,151)
Other assets	(20,833)	-
Accounts payable	431,482	185,944
Accrued liabilities	83,663	15,358
Net cash provided (used) by operating activities	6,066	(1,756,097)
Cash flow from investing activities		
Purchase of property and equipment	(34,507)	-
Net investment in La Mesa	(34,253)	(70,775)
Disposition of Piner license		323,350
Loss on investment in target	-	511,523
Net cash provided (used) by investing activities	(68,760)	764,098
Cash flow from financing activities		
Proceeds from loans payable	18,524	-

Payments of loans payable	(5,365)	(4,854)
Member contributions	5,999	27,574
Member distributions	(59,000)	(43,357)
Loss on debt conversion		836,317
Net cash provided by financing activities	(39,842)	815,680
Change in cash	(102,536)	(176,319)
Cash-beginning of year	189,882	366,201
Cash-end of year	$ 87,346	$ 189,882
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ 2,829	$ 99,503
Cash paid during the year for income taxes	$ -	$ -
Non-cash disposition of land	$ -	$ 2,420,000

See Accompanying Notes to the Combined Financial Statements

Prime Harvest Inc.
Notes to the Combined Financial Statements
December 31, 2020

NOTE 1: THE COMPANY

Prime Harvest, LLC (the "Company") was formed on May 31, 2016 in the state of Nevada. The Company is engaged in the sourcing, processing, and distribution of high-quality cannabis and its headquarters are located in Ramona, California. The Company was established to become a leading vertically integrated cannabis company, through optimizing assets and intellectual property along the supply chain.

In March, 2017 1113131 B.C. LTD was incorporated under the Business Corporations Act in Province of British Columbia, Canada. This entity was formed with the intent of acquiring the assets and assuming the liabilities of Prime Harvest, LLC (per IFRS definition) on or before December 31, 2017.

From April 2017 to December 2017, 1113131 B.C. LTD issued 5,420,210 common shares for gross proceeds of $1,819,836 CAN through several private placements. On December 31, 2017, the Company issued 2,525,000 unrestricted common shares at a total fair value of $808,000 CAN and 12,000,000 restricted common shares at a total fair value of $3,840,000 CAN to acquire Prime Harvest. Of the capital raised by 1113131 B.C. LTD, certain amounts were transferred to Prime Harvest, LLC to cover real estate acquisitions and operating expenses (see note 8). In 2018, the Company applied for a medical cannabis retail license with the City of La Mesa, California and invested approximately $100,000 into a property on Commercial Street, California. Due to lack of funding the option to purchase this location expired in 2019 but the Company's application for a cannabis retail dispensary license in the City of La Mesa, California received final approval and the Company was granted a Conditional Use Permit (City of La Mesa CUP #317-85).

In 2018 and leading into 2019, the capital markets had shifted and essentially shut down the window on newer companies in the space, thus leaving 1113131 to reorganize so that it could move forward (see note 9).

2019 was a transition period for the Company. In 2020, the Company completed its transformation to a U.S. corporate entity. In 2020, the Canadian entity 1113131 successfully converted to Prime Harvest Inc., a U.S company which continues to operate its original Ramona California location, expanding its revenue and customer base, continue its second license for a cannabis dispensary in La Mesa CA while solidifying ongoing relationships suppliers and distributors and operating in the most heavily regulated environment in the state of California. The Company is now prepared to raise additional capital to fuel its expansion in the California market through its JAXX CANNABIS branded retail and delivery services statewide.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting policies of the Company conform to accounting principles generally accepted in the United States of America ("GAAP") as set forth in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). Unless otherwise specified, references to accounting provisions and GAAP in these notes refer to the requirements of the FASB ASC.

Basis of Combination

The combined financial statements presented herein include assets, liabilities, revenues, and expenses directly attributable to the operations of Prime Harvest Group of Companies. These combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. All significant intracompany transactions and accounts have been eliminated. Certain prior year amounts have been reclassified for consistency with current year presentation.

Prime Harvest Inc.
Notes to the Combined Financial Statements
December 31, 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant account judgments, estimates and assumptions

The preparation of the Company's combined financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, in addition to revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the combined financial statements are described below:

- Estimated useful lives and depreciation of property and equipment.
- Estimate of collectability of outstanding trade receivables and other receivables.
- Recoverability of the Company's net deferred tax assets and any related valuation allowance.

Depreciation of property and equipment is dependent upon estimates of useful lives that are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Evaluations of collectability of trade receivables and other receivables is used by management to determine any necessary reserves to be established over these balances for amounts that ultimately will not be collected.

Deferred tax assets and any valuation allowance against these assets are based on management's expectations that their assets will be utilized in future periods.

New Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09 *Revenue from Contracts with Customers*. The new guidance outlines a comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of the new guidance is that companies are to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance also includes a cohesive set of disclosure requirements intended to provide users of financial statements with comprehensive information

about revenue arising from contracts with customers. This new guidance was effective for the Company in 2019, however, in May 2020, the FASB voted to defer the effective date by one year for private companies due to COVID-19. The Company adopted ASU No. 2014-09 On January 1, 2018.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes*. ASU No. 2015-17 requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. This guidance is effective for the period beginning January 1, 2018. The Company early adopted the provisions of ASU No. 2015-17 during the 2018 year.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Pronouncements (continued)

In February 2016, the FASB issued ASU No. 2016-02 *Leases (Topic 842)*. The new standard requires lessees to record the assets and liabilities arising from all leases in the statement of financial position. Under this new guidance, lessees will recognize a liability for lease payments and a right-of-use asset. When measuring assets and liabilities, a lessee should include amounts related to option terms, such as the option of extending or terminating the lease or purchasing the underlying asset, that are reasonably certain to be exercised. For leases with a term of 12 months or less, lessees are permitted to make an accounting policy election to not recognize lease assets and liabilities. For operating leases, a lessee will recognize a single lease cost on a straight-line basis and classify all cash payments within operating activities in the statement of cash flows. In May 2020, the FASB voted to defer the effective date of this new guidance by one year, to January 1, 2022, for private companies due to COVID-19. Early adoption is permitted. The Company is evaluating the potential impact of this guidance on the combined financial statements and depending on their future plans with respect to various lease extension options as well as purchase options, expect there will likely be a significant effect.

Cash

Cash includes all cash on hand. The Company's cash are maintained at the Company's offices. The Company has no cash equivalents as of December 31, 2020 or 2019, respectively.

Restricted Cash

Restricted cash consists of a non-refundable deposit paid at the inception of the lease in 2017 (see note 11). The monies will be used towards the last month's rent or at termination of the lease to cover any other costs as defined by the lease agreement.

Inventories

Inventories are valued at the lower of cost and net realizable value. Costs related to raw materials and finished goods are determined on the first-in, first-out basis. Specific identification and average cost methods are also used primarily for certain packing materials and operating supplies. The Company determined there was no reserve for slow moving and obsolete inventory as of December 31, 2020 and 2019, respectively.

Property and Equipment

Property and equipment are stated at cost. Normal repairs and maintenance costs are charged to earnings as incurred and additions and major improvements are capitalized. The cost of assets retired or otherwise disposed of and the related depreciation are eliminated from the accounts in the period of disposal and the resulting gain or loss is credited or charged to earnings.

Depreciation is computed over the estimated useful lives of the related asset type or term of the operating lease using the straight-line method for financial statement purposes. The estimated service lives for property and equipment is as follows:

Category	Useful Life
Property	40 years
Leasehold improvements	Lesser of 15 years or remaining term of lease
Machinery & equipment	3-6 years
Furniture & fixtures	2-10 years
Vehicles	4-5 years

Prime Harvest Inc.
Notes to the Combined Financial Statements
December 31, 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment and identifiable intangibles with finite useful lives, are periodically evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We look for indicators of a trigger event for asset impairment and pay special attention to any adverse change in the extent or manner in which the asset is being used or in its physical condition. Assets are grouped and evaluated for impairment at the lowest level of which there are identifiable cash flows, which is generally at a location level. Assets are reviewed using factors including, but not limited to, our future operating plans and projected cash flows. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to the assets, compared to the carrying value of the assets. If the sum of the undiscounted future cash flows of the assets does not exceed the carrying value of the assets, full or partial impairment may exist. If the asset carrying amount exceeds its fair value, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset. Fair value is determined using an income approach, which requires discounting the estimated future cash flows associated with the asset.

Income Taxes

Effective January 1, 2019 Prime Harvest Inc. has elected to be treated as a C corporation for income tax purposes. The Company accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided on deferred tax assets if it is determined that it is more likely than not that the deferred tax asset will not be realized. The Company records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax expense. The Company records tax positions taken or expected to be taken in a tax return based upon the amount that is more likely than not to be realized or paid, including in connection with the resolution of any related appeals or other legal processes. Accordingly, the Company recognizes liabilities for certain unrecognized tax benefits based on the amounts that are more likely than not to be settled with the relevant taxing authority. The Company recognizes interest and/or penalties related to unrecognized tax benefits as a component of income tax expense.

Revenue Recognition

Revenue from the direct sale of cannabis goods to customers is recognized when the Company transfers control of the goods to the customer at the point of sale and the customer has paid for the goods. The Company generates revenue at the point in time the goods are transferred to the customer, as the Company has a right to payment, and the customer has significant risks and rewards of such goods therefore performance obligations are satisfied.

Sales and Excise Tax

Sales and excise taxes remitted to tax authorities are government-imposed sales and excise taxes on cannabis goods and related products sold. Sales and excise taxes are not included in the Company's revenues shown in the combined statements of operations. Sales and

excise taxes are recognized as a current liability within taxes payable on the accompanying combined balance sheets, with the liability subsequently reduced when the taxes are remitted to the tax authority.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Leases

Operating leases relate to warehouse space, and office space, which generally contain rent escalation clauses, rent holidays, and contingent rent provisions. Rent expense for operating leases is recognized on a straight- line basis over the term of the lease, which is generally four to five years based on the initial lease term, plus first renewal option periods that are reasonably assured.

Straight-line rent is equal to actual rent therefore there is no deferred rent included as a component of other current liabilities or other long-term liabilities, for the non-current portion, in the accompanying balance sheets.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments included in current assets and current liabilities (such as cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term nature of such instruments.

The inputs used to measure fair value are based on a hierarchy that prioritizes observable and unobservable inputs used in valuation techniques. These levels, in order of highest to lowest priority, are described below:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2—Observable prices that are based on inputs not quoted on active markets but corroborated by market data.

Level 3—Unobservable inputs reflecting the Company's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

NOTE 3: INVENTORY

Inventory was comprised of the following items:

Inventory is comprised of the following items as of:

As of December 31,	**2020**	**2019**
Finished goods	$ 89,759	$ 63,785
Less: allowance for obsolescence	-	-
Total inventory	$ 89,759	$ 63,785

NOTE 4: DETAILS OF CURRENT AND CERTAIN OTHER ASSETS

Current Assets and Other Assets consist of the following: items:

As of December 31,	2020	2019
Other assets:		
Unamortized operating license	$ 20,833	$ -
Deposits on La Mesa Commercial	372,556	338,303
Prepaid License Fees	60,000	60,000
Security Deposit	15,000	15,000
Due from Affiliate	2,200	2,200
Trademark	399	399
Total other assets	$ 470,988	$ 415,902

NOTE 5: PROPERTY AND EQUIPMENT

Major Categories of property and equipment are summarized as follows:

As of December 31,	2020	2019
Property	$ -	$ -
Leasehold improvements	35,641	26,104
Machinery & equipment	10,202	10,201
Furniture & fixtures	18,144	18,144
Vehicles	58,890	33,920
Property and equipment at cost	122,877	88,369
Accumulated depreciation	(51,160)	(36,614)
Property and equipment, net	$ 71,717	$ 51,755
Depreciation expense	$ 14,545	$ 11,717

Depreciation expense for property and equipment for the years ended December 31, 2020 and 2019 were $15,545 $11,717 respectively.

NOTE 6: CURRENT LIABILITIES

As of December 31,	2020	2019
Accounts payable		
Trade accounts payable	$ 490,501	$ 240,865
Federal and State taxes payable	268,097	86,251
Other current liabilities		
Lease payable	81,500	66,500
Sales tax payable	73,152	11,990
Payroll accrual (incl tax)	7,501	-
Related party loan	25,000	25,000
Current portion of long-term debt		

Vehicle loan	6,298	5,365
Total current liabilities	$ 952,049	$ 435,971

NOTE 7: STOCKHOLDERS' EQUITY

The Company was initially capitalized through private investment as well as the transfer of funds from 1113131 B.C. LTD as described in Note 1 and further in Note 8. As of December 31, 2020 and 2019, the Company was still closely held.

NOTE 8: DEBT

Principal	Interest Rate	Collateral	Payment Terms
$ 900,000	11.00%	First lien	$8,500 per month for 36 months plus $900,000 due on February 21, 2021.
$ 150,000	11.25%	Second lien	$1,406.26 per month for 18 months plus $150,000 due on September 15, 2019.

As of December 31,	2020	2019
1113131 B.C. Loan payable	$ -	$ -
Piner Road, Santa Rosa	-	-
Vehicle loan	6,298	5,365
Total	$ -	$ -

As of December 31,	2020	2019
Vehicle loans	15,156	2,930
Total long-term debt	$ 15,156	$ 2,930

NOTE 9: INCOME TAXES[1]

As the Company operates in the legal cannabis industry, the Company is subject to the limits of IRC Section 280E for U.S. federal income tax purposes under which the Company is only allowed to deduct expenses directly related to sales of product. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E. However, the State of California does not conform to IRC Section 280E and, accordingly, the Company deducts all operating expenses on its California Franchise Tax Returns.

On December 22, 2017, the U.S. enacted the "Tax Cuts and Jobs Act" ("Tax Act"), which lowered the U.S. statutory tax rate from 35% to 21% effective January 1, 2018. The Company recognized the income tax effects of the Tax Act in its combined financial statements. These effects did not materially impact the Company's accounting for income tax as of and for the year ended December 31, 2020.

The income tax provision consisted of the following:

December 31,	2020	2019	2018
Current			
Federal	$ 266,496	$ 84,651	$ 20,582
State	1,600	1,600	1,600
Total current	268,096	86,251	22,182

Deferred tax expense			
Federal	-	-	-
State	-	-	-
Total deferred tax expense	-	-	-
Income tax expense	$ 268,096	$ 86,251	$ 22,182

The principal items accounting for the differences in income taxes computed at the US statutory rate (21%) and the effective income tax rate for continuing operations comprise the following:

	2020	2019	2018
Taxes computed at statutory rate	$ (41,446)	$ (387,780)	$ (200,602)
State taxes	1,600	1,600	1,600
Federal taxes	-	357,008	91,547
Non deductible expenses	304,274	107,077	129,637
Other	3,669	8,346	-
Income tax provisions	$ 268,097	$ 86,251	$ 22,182

[1] This is not provided for in the Excel Spreadsheet

Prime Harvest Inc.
Notes to the Combined Financial Statements
December 31, 2020

NOTE 9: INCOME TAXES (CONTINUED)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

	2020	2019	2018
Deferred tax assets:			
Accrued expense and other	$ -	$ -	$ -
Capital loss	315,574	315,574	-
Net operating losses	312,795	263,539	62,381
Total deferred tax assets	$ 628,369	$ 579,113	$ 62,381
Deferred tax liability:			
Depreciation	-	-	-
Total deferred tax liability	$ -	$ -	$ -
Valuation Allowance	$ (628,369)	$ (579,113)	$ (62,381)
Net deferred tax asset/liability	$ -	$ -	$ -

The net change in the valuation allowance for 2020 and 2019 was $49,256 and $516,732, respectively. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company is not recognizing its deferred tax asset balances as of December 31, 2020 and 2019.

Federal and state tax laws impose significant restrictions on the utilization of net operating loss carryforwards in the event of a change in ownership of the Company, as defined by Internal Revenue Code Section 382 (Section 382). A formal section 382 study has not been completed by the Company yet. The Company has net operating loss carryforwards for federal and state income tax purposes of approximately $403,442 and 2,004,137 respectively, as of December 31, 2020 and 2019. Per TCJA of 2017, the federal net operating loss (NOL) carryforwards generated in 2018 and future years can be carried forward indefinitely. There are no federal NOL carryforwards generated in 2017 and prior years. The state net operating loss carryforwards, if not utilized, will expire beginning in 2038.

As of December 31, 2020, and 2019, the income tax provisions of $268,097 and $86,251 within the combined statements of operations included no other tax expense. The Company applies the provisions of ASC 740 related to accounting for uncertain tax positions, which prescribes a recognition threshold and measurement process for recording in the financial statements uncertain tax positions taken or expected to be taken in a tax return. Under this provision, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. Tax benefits of an uncertain tax position will not be recognized if it has less than a 50% likelihood of being sustained based on technical merits. As of December 31, 2020, and 2019, there are no unrecognized tax benefits and the Company does not anticipate any material change in the total amount of unrecognized tax benefits to occur within the next twelve months. ASC 740 requires the Company to accrue interest and penalties where there is an underpayment of taxes based on the Company's best estimate of the amount ultimately to be paid. The Company's policy is to recognize interest accrued related to unrecognized tax benefits and penalties as income tax expense. The Company has not recorded any interest or penalties as the liability associated with the unrecognized tax benefits is immaterial.

NOTE 9: INCOME TAXES (CONTINUED)

The State of California enacted A.B. 85, a tax provision that suspends the use of net operating loss carryforwards ("NOLs") entirely for taxpayers with net business income of $1 million or more and limits the use of certain business tax credits to $5 million total for 2020, 2021, and 2022. The Company has no suspended NOLs as of December 31, 2019.

As the Company operates in the legal cannabis industry, the Company is subject to the limits of IRC Section 280E. The Company has accrued approximately $266,496 and $84,651 for its federal tax liability as of December 31, 2020 and 2019, respectively.

The Company is subject to examination for its US federal and California jurisdictions for each year in which a tax return was filed.

NOTE 10: COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leased retail space on June 1, 2017 with an original expiration date of April 31, 2022 and base rent of $17,500 per month plus estimated operating expenses. Rent was set to increase in increments thereafter, but this was modified effective March 2018 to a set $15,000 per month for the first sixty months. The lease included several options to renew with step up features as well as an option to purchase the property for $2,000,000. The Company is in the process of evaluating these options for go forward years. For the years ended December 31, 2020 and 2019, rent expense was approximately $180,000, and $185,000 respectively. Minimum future rental payments under non-cancelable operating leases, in aggregate, having remaining terms in excess of one year are as follows:

Minimum future rental payments

Year ending December 31,	
2021	$ 180,000
2022	75,000
2023	-
2024	-

2025	-
Thereafter	-
Total future minimum operating lease payments	$ 255,000

Prime Harvest Inc.
Notes to the Combined Financial Statements
December 31, 2020

NOTE 10: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contingencies

The Company's operations are subject to a variety of local and state regulation. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management of the Company believes that the Company is in compliance with applicable local and state regulation as of December 31, 2020 and 2019 respectively.

Cannabis regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties or restrictions in the future**.**

Litigation and Claims

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2019 and 2018 respectively, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

NOTE 11: RELATED PARTIES

On March 29, 2017 1113131 B.C. LTD was incorporated under the Business Corporations Act in Province of British Columbia, Canada. This entity was formed with the intent of acquiring the assets and assuming the liabilities of Prime Harvest Inc. (per IFRS definition) on or before December 31, 2017. On August 10, 2018 Eulenthius Alexander consented in writing to act as the Chief Operating Officer of 1113131 B.C. LTD. As of December 31, 2020 Eulenthius Alexander continues to serve in this position.

NOTE 12: SUBSEQUENT EVENTS

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred including mandates from federal, state, and local authorities leading to an overall decline in economic activity which could result in a loss of revenue and other material adverse effects to the Company's financial position, results of operations, and cash flows. The Company is not able to reliably estimate the length or severity of this outbreak and the related financial impact, if any.

In August 2020, the Company retained legal counsel to prepare a Regulation A filing in order to raise $20,000,000. In conjunction with the preparations for this filing, management is attempting to attract investors that are already involved in the cannabis industry with the purpose of potentially creating synergies and vertical integration opportunities. The intent is to offer a reduced share price for these investors if they are procured and depending on the partnership terms that can be negotiated.

Management has evaluated subsequent events, as defined by ASC 855, *Subsequent Events,* through Apr 23, 2021 (the date that the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require further recognition in the financial statements.

Prime Harvest, Inc.

Best Efforts Offering of
$42,000,000 Maximum Offering Amount (10,000,000 Shares of Common Stock)

OFFERING CIRCULAR

_____, 2022

PART III - EXHIBITS

Index to Exhibits

Exhibit No.	Exhibit Description
1.1	Regulation A+ Engagement Agreement with Rialto *
2.1	Certificate of Incorporation *
2.2	Bylaws *
4.1	Form of Subscription Agreement*
4.2	Management Agreement for JAXX Cannabis lease *
4.3	Binding Letter of Intent entered into with Renny Bowden re: JAXX Cannabis *
8.1	Form of Escrow Agreement **
10.1	Power of Attorney (as included on the signature page).
11.1	Consent of Green Growth CPAs *
11.2	Consent Carter Ledyard & Milburn LLP (as contained in Exhibit 12.1)
12.1	Opinion of Carter Ledyard & Milburn LLP *

* Filed herewith.
** To be filed by amendment,

SIGNATURES

Pursuant to the requirements of Regulation A, the registrant has duly caused this Form 1-A to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Ramona, State of California, on May 10, 2022.

Prime Harvest, Inc.

By: */s/* E. Duane Alexander
E. Duane Alexander
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints E. Duane Alexander as his true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Form 1-A Offering Statement and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each of said attorney-in-fact and agent or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of Regulation A, this Form 1-A has been signed by the following persons in the capacities indicated on May 10, 2022.

Name	Title
/s/ E. Duane Alexander E. Duane Alexander	President, Chief Executive Officer (Principal Executive Officer) and Director
/s/ John J. Wilczak John J. Wilczak	Director
/s/ Andrea Jenson Andrea Jenson	Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 1.1

Broker-Dealer Onboarding Agent - Engagement Agreement – Reg A+ Tier 2

This agreement (together with exhibits and schedules, the "Agreement") is entered into by and between Prime Harvest Inc. ("Issuer"), a _____ Corporation, and Rialto Markets LLC., a Delaware Limited Liability Company ("Rialto") and FINRA registered Broker Dealer in all 50 states and Puerto Rico. Issuer and Rialto agree to be bound by the terms of this Agreement, effective as of (the "Effective Date"):

Whereas, Rialto is a registered broker-dealer providing services in the equity and debt securities market, including offerings conducted via SEC approved exemptions such as Reg D 506(b), 506(c), Regulation A+, Reg CF and others;

Whereas, Issuer is offering securities directly to the public in an offering exempt from registration under Regulation A Tier 2 (the "Offering") for **$42,000,000**; and

Now, Therefore, in consideration of the mutual promises and covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Appointment, Term, and Termination

Issuer hereby engages and retains Rialto to provide operations and compliance services as listed:

a. Act as the Broker – Dealer On Boarding Agent for 1A (SEC), 5110 (FINRA) and Blue-Sky (States & Territories) filings'

b. Provide introductions and coordination with engaging additional parties and service providers

c. assist with use of an "Issuer Reg A Raise" website where potential and current investors begin the process of onboarding/ investing by entering their interest, required personal information and review and sign all offering related documentation;

d. performing AML/KYC on all investors;

e. coordination with Registered Transfer Agent of the Issuer;

f. coordination with the escrow agent of the Issuer for funds raised;

g. coordination with the Issuer's legal partners; and

h. providing other financial advisory services normal and customary for similar transactions and as may be mutually agreed upon by Rialto Markets LLC and the Issuer (collectively, the "Services").

i. Investment Applicant Services (see Schedule B for associated fees)

j. "Payment Rails" for the use of providing investors with the ability to invest in the offering using ACH and if available, credit cards.

March 23, 2022

The Agreement will commence on the Effective Date and will remain in effect for a period of twelve (12) months and will renew automatically for successive renewal terms of twelve (12) months each unless any party provides notice to the other party of non-renewal at least sixty (60) days prior to the expiration of the current term. If Issuer defaults in performing the obligations under this Agreement, the Agreement may be terminated (i) upon sixty (60) days written notice if Issuer fails to perform or observe any material term, covenant or condition to be performed or observed by it under this Agreement and such failure continues to be unremedied, (ii) upon written notice, if any material representation or warranty made by either Rialto or Issuer proves to be incorrect at any time in any material respect, (iii) in order to comply with a Legal Requirement, if compliance cannot be timely achieved using commercially reasonable efforts, after providing as much notice as practicable, or (iv) upon thirty (30) days' written notice if Issuer or Rialto commences a voluntary proceeding seeking liquidation, reorganization or other relief, or is adjudged bankrupt or insolvent or has entered against it a final and unappealable order for relief, under any bankruptcy, insolvency or other similar law, or either party executes and delivers a general assignment for the benefit of its creditors. The description in this section of specific remedies will not exclude the availability of any other remedies. Any delay or failure by Issuer to exercise any right, power, remedy or privilege will not be construed to be a waiver of such right, power, remedy or privilege or to limit the exercise of such right, power, remedy or privilege. No single, partial or other exercise of any such right, power, remedy or privilege will preclude the further exercise thereof or the exercise of any other right, power, remedy or privilege. All terms of the Agreement, which should reasonably survive termination, shall so survive, including, without limitation, limitations of liability and indemnities, and the obligation to pay Fees relating to Services provided prior to termination.

Fees for early termination of the offering by the Issuer post the issuance of the FINRA No Objection Letter will be the greater of $30,000 or the percentage owed to Rialto as agreed to within this agreement, not to exceed $30,000. As Rialto does not charge any fees up front, this early termination fee is to cover costs associated with the services and work performed by Rialto up to the point of early termination and any regulatory type requirements after.

The Issuer has a right of "termination for cause" which includes the material failure of Rialto Markets to provide the services outlined in this Agreement. An Issuer's exercise of its right of "termination for cause" eliminates any obligations with respect to the payment of any termination fee or provision of any right of first refusal. The Issuer shall not be responsible for paying the termination fee unless an offering or other type of transaction (as set forth in this agreement) is consummated within two years of the date of the engagement is terminated by the Issuer.

2. Services. Rialto will perform the services listed above in section 1, in connection with the Offering (the "Services"). Unless otherwise agreed to in writing by the parties.

3. **Compensation.** As compensation for the Services, Issuer shall pay to Rialto fees equal to 1-3% for Broker -Onboarding Compliance/ Administrative services listed as a-i in section 1 above on the aggregate amount raised by the Issuer *for the Silver Service Level*. This will only start after FINRA Corporate Finance issues a No Objection Letter for the offering. Issuer authorizes Rialto to deduct the fee directly from the Issuer's third-party escrow or payment account. At 1%, the Maximum compensation is $420,000.

The Issuer has also engaged Rialto to provide and manage the Blue-Sky Notice Filing and Fee process. The Issuer has agreed to compensate Rialto a one-time payment of $7,500 to manage this process. Included with this process, is the estimated $13,000 in accountable expenses for the Blue-Sky Notice Filing Fees for all 50 states and PR. These fees paid to the states are separate from the $7,500 fee paid to Rialto for the service and will be a pass-through fee payable to Rialto from the Issuer, who will then forward the appropriate fees and required filings to the applicable states and territories. The $7,500 Blue Sky Service fee, the $6,800 FINRA Filing Fee and the $13,000 in expenses is due prior to submission of the Blue-Sky filings. Any unused portion of the Blue-Sky State Filing Fees ($13,000) will be returned to the Issuer.

There are no expected out of pocket due diligence expenses.

The Issuer shall also engage Rialto as a consultant to provide ongoing general consulting services relating to the Offering such as coordination with third party vendors and general guidance with respect to the Offering. The Issuer will pay a one-time Consulting Fee of $10,000 which will be due and payable 30 days after FINRA issues a No Objection Letter.

March 23, 2022

Including the FINRA Filing Fee (5110) explained in Section 4 below, the Maximum Expenses are $27,300 ($6,800 for FINRA, $7,500 for Blue-Sky Service and Process Management fee, and $13,000 for Blue-Sky Fees to be paid to the states) and the Maximum Compensation is $430,000 (1% of $42M); comprised of $420,000 (max) for 1% of Success for Broker - Administrative/Onboarding (1% of $42M), and $10,000 Consulting Fee post FINRA issued No Objection Letter).

4. Regulatory Compliance

Issuer and all its third-party providers shall at all times (i) comply with direct requests of Rialto; (ii) maintain all required registrations and licenses, including foreign qualification, if necessary; and (iii) pay all related fees and expenses (including the FINRA Corporate Filing Fee), in each case that are necessary or appropriate to perform their respective obligations under this Agreement. Issuer shall comply with and adhere to all Rialto policies and procedures.

FINRA Corporate Filing Fee for this $42,000,000.00 best-efforts offering is $6,800 and will be a pass-through fee payable to Rialto, from the Issuer, who will then forward it to FINRA as payment for the filing. This fee is due and payable prior to any submission by Rialto to FINRA. The FINRA Fee is .00015 of total offering amount + $500.

Issuer and Rialto will have the shared responsibility for the review of all documentation related to the Transaction but the ultimate discretion about accepting an Investor will be the sole decision of the Issuer. Each Investor will be considered to be that of the Issuer's and NOT Rialto.

Issuer and Rialto will each be responsible for supervising the activities and training of their respective sales employees, as well as all of their other respective employees in the performance of functions specifically allocated to them pursuant to the terms of this Agreement.

Issuer and Rialto agree to promptly notify the other concerning any material communications from or with any Governmental Authority or Self-Regulatory Organization with respect to this Agreement or the performance of its obligations, unless such notification is expressly prohibited by the applicable Governmental Authority.

5. **Role of Rialto.** Issuer acknowledges and agrees that Issuer will rely on Issuer's own judgment in using Rialto' Services. Rialto (i) makes no representations with respect to the quality of any investment opportunity or of any issuer; (ii) does not guarantee the performance to and of any Investor; (iii) will make commercially reasonable efforts to perform the Services in accordance with its specifications; (iv) does not guarantee the performance of any party or facility which provides connectivity to Rialto; and (v) is not an investment adviser, does not provide investment advice and does not recommend securities transactions and any display of data or other information about an investment opportunity, does not constitute a recommendation as to the appropriateness, suitability, legality, validity or profitability of any transaction. Nothing in this Agreement should be construed to create a partnership, joint venture, or employer-employee relationship of any kind.

Issuer acknowledges and agrees that Rialto was not made aware of any, nor was Rialto part of the production or distribution or use of any "Testing The Waters" materials.

6. Indemnification and Legal

As part of this Agreement, indemnification provisions between the parties are set out in Schedule A and form part of this Agreement.

Each provision of this Agreement is several and is not affected if another provision of this Agreement is found to be invalid or unenforceable or to contravene applicable law or regulations. This Agreement is not intended to and does not confer any rights upon any shareholder of the Issuer or, except as expressly provided herein, any other person. The provisions of this letter Agreement shall be binding upon the Issuer and its successors and assigns.

March 23, 2022

Nothing herein is intended to create or shall be construed as creating a fiduciary relationship between the Issuer and Rialto Markets LLC. No term or provision of this Agreement may be amended, discharged or modified in any respect except in writing signed by the parties hereto. This Agreement sets out the entire agreement between us.

This Agreement will be construed in accordance with the laws of the State of New York. Any dispute, controversy or claim directly or indirectly relating to or arising out of this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

The costs and expenses (including reasonable attorney's fees of the prevailing party) shall be borne and paid by the party that the arbitrator, or arbitrators, determines is the non-prevailing party. The Issuer agrees and consents to personal jurisdiction, service of process and venue in any federal or state court within the State of New York in connection with any action brought to enforce an award in arbitration and in connection with any action to compel arbitration.

Each of Rialto Markets LLC and the Issuer on its own behalf and, to the extent permitted by applicable law, on behalf of its shareholders waives all right to trial by jury in any action, proceeding or counterclaim (whether based upon contract, tort or otherwise) related to or arising out of the engagement of Rialto Markets LLC pursuant to, or the performance by Rialto Markets LLC of the services contemplated by this Agreement.

Pursuant to the requirements of the USA Patriot Act (the "Act") and other applicable laws, rules and regulations, Rialto Markets LLC is required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow Rialto Markets LLC to identify the Issuer in accordance with the Act and such other laws, rules and regulations.

7. Confidentiality

"Confidential Information" means any information disclosed to a receiving party by the disclosing party, either directly or indirectly in writing, orally or by inspection of tangible objects, including without limitation announced and unannounced products, disclosed and undisclosed business plans and strategies, financial data and analysis, customer names and lists, customer data, funding sources and strategies, and strategies involving strategic business combinations which are conspicuously labeled and/or marked as being confidential or otherwise proprietary to the disclosing party. The receiving party agrees not to disclose any Confidential Information to third parties or to employees of the receiving party, except to its officers, directors, employees, partners, and advisors (including, but not limited to legal counsel, consultants, accountants and financial advisors). Those that receive the Confidential Information, collectively, "Representatives", are required to have the Confidential Information in order to evaluate or engage in discussions concerning the opportunity. The Issuer will only release the Confidential Information to Representatives after first apprising such Representatives of their obligation to treat such disclosed information as Confidential Information of the disclosing party.

The Issuer acknowledges that upon closing of the Financing, Rialto Markets LLC may, at its own expense, place an announcement in such newspapers, periodicals and other media, as it may choose, stating that Rialto Markets LLC has acted as the financial advisor to the Issuer, and provided the trading platform for the securities issued by the Issuer, in connection with such Financing. Any other text included in such announcement is subject to the prior written approval of the Issuer. The Issuer agrees to state, in any press release issued in connection with the Financing that Rialto Markets LLC and its Representatives have acted as the issuance advisor to the Issuer.

Should the Issuer wish to proceed, please confirm acceptance of the terms of this Agreement by signing and returning one copy to Rialto.

March 23, 2022

8. Miscellaneous

ANY DISPUTE OR CONTROVERSY BETWEEN THE ISSUER AND RIALTO RELATING TO OR ARISING OUT OF THIS AGREEMENT WILL BE SETTLED BY ARBITRATION BEFORE AND UNDER THE RULES OF THE ARBITRATION COMMITIEE OF FINRA.

This Agreement is non-exclusive and shall not be construed to prevent either party from engaging in any other business activities.

This Agreement will be binding upon all successors, assigns or transferees of Issuer. No assignment of this Agreement by either party will be valid unless the other party consents to such an assignment in writing. Either party may freely assign this Agreement to any person or entity that acquires all or substantially all of its business or assets. Any assignment by the either party to any subsidiary that it may create or to a company affiliated with or controlled directly or indirectly by it will be deemed valid and enforceable in the absence of any consent from the other party.

Neither party will, without prior written approval of the other party, place or agree to place any advertisement in any website, newspaper, publication, periodical or any other media or communicate with the public in any manner whatsoever if such advertisement or communication in any manner makes reference to the other party, to any person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control, with the other party and to the clearing arrangements and/or any of the Services embodied in this Agreement. Issuer and Rialto will work together to authorize and approve co-branded notifications and Issuer facing communication materials regarding the representations in this Agreement. Notwithstanding any provisions to the contrary within, Issuer agrees that Rialto may make reference in marketing or other materials to any transactions completed during the term of this Agreement, provided no personal data or Confidential Information is disclosed in such materials.

THE CONSTRUCTION AND EFFECT OF EVERY PROVISION OF THIS AGREEMENT, THE RIGHTS OF THE PARTIES UNDER THIS AGREEMENT AND ANY QUESTIONS ARISING OUT OF THE AGREEMENT, WILL BE SUBJECT TO THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

If any provision or condition of this Agreement will be held to be invalid or unenforceable by any court, or regulatory or self-regulatory agency or body, the validity of the remaining provisions and conditions will not be affected and this Agreement will be carried out as if any such invalid or unenforceable provision or condition were not included in the Agreement.

This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreement relating to the subject matter herein. The Agreement may not be modified or amended except by written agreement.

This Agreement may be executed in multiple counterparts and by facsimile or electronic means, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

March 23, 2022

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

Issuer:	Prime Harvest Inc.	Rialto Markets LLC
Signature:		
Print Name:	E. Duane Alexander	Joel Steinmetz
Title:	CEO	COO
Date:		

March 23, 2022

Schedule B – Investment Applicant Service Levels (j. on page 1)

- Silver: 1% of funds raised
  - 50 states
  - AML / KYC processing
    - Subscription agreement review
    - Exceptions handled by Issuer
    - Proactive outreach handled by Issuer
  - Marketing Material review
- Gold: 2% of funds raised (Silver level PLUS)
  - Direct exception handling, for example:
    - Payment issues
    - Application issues
    - KYC exceptions
    - Chatty Investor dialogue (i.e., respond Investor inquiries about the process, filings, their data, etc. – not about the company)
    - Proactive outreach handled by Issuer
- Platinum: 3% of funds raised (Gold level PLUS)
  - Proactive investor applicant outreach:
    - Follow-up contact with investors who place incomplete applications
    - Follow-up contact with those applicants who expressed interest but did not complete the application
  - Escrow management:
    - Reconciliation of all payments in and out of the escrow account

March 23, 2022

Schedule C – Compensation and Fee Chart

Offering Amount: $42,000,000

Fees Due Upon Execution of Agreement

DESCRIPTION	AMOUNT	PAYABLE UPON

Known Reimbursable Expenses and Professional Fees (unused funds to be returned to Company, includes FINRA - 5110 Filing fees)	$6,800 (FINRA 5110 fee = $500 + .00015 of $ offering)	Submission of the 1-A with the SEC
Consulting Fee	$10,000	Within 30 Days of FINRA's issuance of the No Objection Letter
Blue Sky Filing Service Fee *(Filing of required filing notices to all 50 states and applicable territories)*	**$7,500** (*Not including state fees*)	Upon filing with the States/Territories
Initial fees for the actual state Blue Sky filings for all 50 states and PR are estimated to be $13,000. This is a passthrough expense counting towards total expenses, unused funds will be returned to the Issuer.		

Fees Due Upon Success of Reg A+ Offering

DESCRIPTION	AMOUNT	PAYABLE UPON
Broker Onboarding Agent - Compliance & Administrative Services Fees *(For services provided as listed in a. through j. on page 1 of this agreement).*	1% of funds raised -*PLATINUM (Schedule B) for $420,000*	Success of Financing
Equity Compensation	***NONE***	
TOTAL MAXIMUM COMPENSATION: $430,000 (1% of $42M)		
TOTAL MAXIMUM EXPENSES: $27,300		

March 23, 2022

Exhibit 2.1

Delaware
The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "PRIME HARVEST INC." AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF CONVERSION, FILED THE TWENTY-FIRST DAY OF AUGUST, A.D. 2020, AT 5:53 O'CLOCK P.M.

CERTIFICATE OF INCORPORATION, FILED THE TWENTY-FIRST DAY OF AUGUST, A.D. 2020, AT 5:53 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID CORPORATION, "PRIME HARVEST INC.".

3503430 8100H
SR# 20212715664

Authentication: 203684478
Date: 07-15-21

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 05:53 PM 08/21/2020
FILED 05:53 PM 08/21/2020
SR 20206883071 - File Number 3503430

STATE OF DELAWARE
CERTIFICATE OF CONVERSION
FROM A NON-DELAWARE CORPORATION
TO A DELAWARE CORPORATION
PURSUANT TO SECTION 265
OF THE DELAWARE GENERAL CORPORATION LAW

1. The jurisdiction where the Non-Delaware Corporation first formed is British Columbia, Canada.

2. The jurisdiction immediately prior to filing this Certificate is British Columbia, Canada.

3. The date of the Non-Delaware Corporation first formed is March 29, 2017.

4. The name of the Non-Delaware Corporation immediately prior to filing this Certificate is 1113131 BC LTD.

5. The name of the Corporation as set forth in the Certificate oflncorporation is Prime Harvest Inc.

IN WITNESS WHEREOF, the undersigned being duly authorized to sign on behalf of the converting Non-Delaware Corporation has executed this Certificate on the 21 day of August, 2020.

Prime Harvest Inc.

By: /s/ Eulenthius Alexander
Name: Eulenthius Alexander
Title: Chief Executive Officer

State of Delaware
Secretary of State
Division of Corporations
Delivered 05:53 PM 08/21/2020
FILED 05:53 PM 08/21/2020
SR 20206883071 - File Number 3503430

CERTIFICATE OF INCORPORATION

OF

PRIME HARVEST INC.

I, the undersigned, for the purpose of creating and organizing a corporation under the provisions of and subject to the requirements of the General Corporation Law of the State of Delaware (the **"DGCL"),** certify as follows:

ARTICLE I
NAME

The name of the corporation is Prime Harvest Inc. (the **"Corporation").**

ARTICLE II
ADDRESS AND REGISTERED AGENT

The address of the registered office of the Corporation in the State of Delaware is 251 Little Falls Drive, Wilmington, DE 19808, New Castle County. The name of the registered agent of the Corporation at such address is Corporation Service Company.

ARTICLE III
PURPOSE

The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

CAPITAL STOCK

Section 1. Shares, Classes and Authorized Capital Stock. The total number of shares of all classes of capital stock which the Corporation is authorized to issue is 220,000,000 shares, each with a par value of $0.0001 per share, of which 200,000,000 shares shall be common stock **("Common Stock")** and 20,000,000 shares shall be preferred stock **("Preferred Stock").**

Section 2. Preferred Stock Designation. The Board of Directors of the Corporation (the **"Board of Directors")** is hereby expressly authorized, by resolution or resolutions, to provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers, if any, of the shares of such series, and the preferences and relative, participating, optional, or other special rights, if any, and any qualifications, limitations, or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

Section 3. Common Stock. All shares of Common Stock shall be identical to each other in every respect. The shares of Common Stock shall entitle the holders thereof to one vote for each share on all matters on which stockholders have the right to vote. The holders of Common Stock shall not be permitted to cumulate their votes for the election of directors.

Section 4. Increase of Authorized Shares. The number of authorized shares of Preferred Stock or Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affmnative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote generally in the election of directors, irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), voting together as a single class, without a separate vote of the holders of the class or classes the number of authorized shares of which are being increased or decreased, unless a vote by any holders of one or more series of Preferred Stock is required by the express terms of any series of Preferred Stock as provided for or fixed pursuant to the provisions of this Article III.

ARTICLE V
DIRECTORS

Section I. Nominations. Nominations by stockholders of persons for election to the Board of Directors shall be made only in accordance with the procedures set forth in the Bylaws of the Corporation (the **"Bylaws").** Elections of directors need not be by written ballot except and to the extent provided in the Bylaws of the Corporation.

Section 2. Number of Directors and Classification. The total number of authorized directors shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption). The directors shall be divided into three classes with the term of office of the first class (Class I) to expire at the first annual meeting of the stockholders following the closing date of the first sale of the Corporation's Common Stock pursuant to an exemption from registration under the Securities Act of 1933, as amended, pursuant to Regulation A (the **"Effective Date"),** the term of office of the second class (Class II) to expire at the second annual meeting of stockholders following the Effective Date; the term of office of the third class (Class III) to expire at the third annual meeting of stockholders following the Effective Date; and thereafter for each such term to expire at each third succeeding annual meeting of stockholders after such election. All directors shall hold office until the expiration of the term for which elected, and until their respective successors are elected, except in the case of the death, resignation or removal of any director.

Section 3. Vacancies. Subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation or other cause (including removal from office by a vote of the stockholders) may be filled only by a majority vote of the directors then in office, though less than a quorum, or by the sole remaining director, and directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders at which the term of office of the class to which they have been elected expires, and until their respective successors are elected, except in the case of the death, resignation or removal of any director. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 4. Removal of Directors. Subject to the rights of the holders of any series of Preferred Stock then outstanding, any directors, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least two-thirds of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE VI
BYLAWS

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws or adopt new Bylaws without any action on the part of the stockholders. The stockholders shall also have power to make, adopt, amend, alter or repeal the Bylaws. Any adoption, amendment, alteration or repeal of the Bylaws by the stockholders shall require, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by this Certificate of Incorporation, the affirmative vote of the holders of at least two-thirds of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE VII
LIABILITY AND INDEMNIFICATION

Section I. Limitation of Director Liability. To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or to its stockholders for monetary damages for any breach of fiduciary duty as a director. No amendment to, modification of or repeal of this Section 7.I shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

Section 2. Indemnification. The Corporation shall, to the fullest extent permitted by applicable law, including, without limitation, Section 145 of the Delaware General Corporation Law, as the same exists or may be amended, indemnify, defend and hold harmless each Indemnitee from and against any and all losses, claims, damages, liabilities, expenses (including reasonable attorneys' fees and costs), judgments, fines, settlements, demands, actions, and suits relating to or arising out of (a) the business of the Corporation, (b) the exercise by that lndemnitee of any authority conferred on that Indemnitee, or the performance of any duties and obligations imposed on that Indemnitee, under the Certificate of Incorporation, these By-Laws or any resolutions of the Board or the Stockholders, (c) that lndemnitee's service, at the Corporation's request, as a director or officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise or (d) the successful assertion by that lndemnitee in a legal proceeding that that lndemnitee is entitled to indemnification by the Corporation under these By-Laws or otherwise. "Indemnitee" means any director, officer, employee or agent of the Corporation and any person serving, at the Corporation's request, as a director or officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. Notwithstanding the preceding sentence, except for claims for indemnification (following the final disposition of that legal proceeding) or advancement of expenses not paid in full, the Corporation shall be required to indemnify a Indemnitee in connection with a legal proceeding (or part thereof) commenced by that lndemnitee only if the commencement of that proceeding (or part thereof) by that Indemnitee was authorized in the specific case by the Board of Directors. Any amendment, repeal or modification of this Section 7.2 shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE VIII
SHAREHOLDER ACTION

Section I. Action by Stockholders Without a Meeting. Any election of directors or other action by the stockholders of the Corporation that can be effected at an annual or special meeting of stockholders can be effected by written consent without a meeting so long as such written consent is signed by the holders of at least the number of shares required to approve such action at a duly held annual or special stockholders meeting at which all shares entitled to vote thereon were present and voted.

Section 2. Power to Call a Special Meeting of the Stockholders. Except as otherwise expressly provided by the terms of any series of Preferred Stock permitting the holders of such series of Preferred Stock to call a special meeting of the holders of such series, special meetings of stockholders of the Corporation may be called only by the Board of Directors, the chairperson of the Board of Directors, the chief executive officer or the president (in the absence of a chief executive officer), and the ability of the stockholders to call a special meeting is hereby specifically denied. The Board of Directors may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

ARTICLE IX
AMENDMENTS

In addition to any affrrmative vote required by applicable law and any voting rights granted to or held by holders of Preferred Stock, any alteration, amendment, repeal or rescission (collectively, any **"Change")** of any provision of this Certificate of Incorporation must be approved by the affirmative vote of the holders of at least two-thirds (or such greater proportion as may otherwise be required pursuant to any specific provision of this Certificate of Incorporation) of the voting power of all then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class; provided, however, that if a majority of the Board of Directors recommends the Change, then such Change shall only require the affirmative vote of the holders of a majority of the total votes eligible to be cast by the holders of all outstanding shares of capital stock of the Corporation entitled to vote thereon. Subject to the foregoing, the Corporation reserves the right to amend this Certificate of Incorporation from time to time in any and as many respects as may be desired and as may be lawfully contained in an original certificate of incorporation filed at the time of making such amendment.

Except as may otherwise be provided in this Certificate of Incorporation, the Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and to add or insert herein any other provisions authorized by the laws of the State of Delaware at the time in force, in the manner now or hereafter prescribed by law, and all rights, preferences and privileges of any nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in their present form or as hereafter amended are granted subject to the rights reserved in this Article IX..

Signed on August 21, 2020.

/s/ Eulenthius Alexander
Eulenthius Alexander
Incorporator
1900, 520 3rd Ave. SW
Calgary, Alberta T2P 0R3

Exhibit 2.2

BY-LAWS

OF

PRIME HARVEST INC.
a Delaware corporation
(the "Corporation")

ARTICLE I
OFFICES

Section 1.01. Registered Office. The registered office of the Corporation is as set forth in the Certificate of Incorporation of the Corporation.

Section 1.02. Other Offices. The Corporation may also have offices at such other places as the board of directors of the Corporation (the "Board") may from time to time determine or the business of the Corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 2.01. General. All meetings of the stockholders of the Corporation (the "Stockholders") shall be held at such place either within or without the State of Delaware as the Board shall determine. The notice of each meeting, or the waiver of such notice, shall state the location of that meeting.

Section 2.02. Annual Meeting. The annual meeting of Stockholders, for the election of directors and for the transaction of any other business which may properly be transacted at the annual meeting, shall be held at such hour on such day and at such place within or without the State of Delaware as the Board may determine.

Section 2.03. Special Meetings. Special meetings of the Stockholders, for any purpose or purposes, unless otherwise required by statute, may be called in accordance with the provisions of the Certificate of Incorporation.

Section 2.04. Notice and Purpose of Meetings. The Secretary or an Assistant Secretary shall give notice of the time and place and the purpose or purposes of each meeting of Stockholders by mail or electronic means not less than 24 hours (unless a longer period shall be required by statute) nor more than 60 days before the meeting to each Stockholder of record entitled to vote at that meeting. That notice shall be directed to each Stockholder at that Stockholder's address or electronic contact information as it appears on the stock register of the Corporation unless that Stockholder shall have filed with the Secretary of the Corporation a written request that notices intended for that Stockholder be directed to some other address or contact information, in which case it shall be directed to the address or contact information designated in that request. Such further notice shall be given as may be required by law. Except as otherwise expressly provided by statute, no notice of a meeting of Stockholders shall be required to be given to any Stockholder who shall, in person or by attorney, waive such notice in writing or by electronic means either before or after that meeting. Except where otherwise required by law, notice of any adjourned meeting of Stockholders shall not be required to be given.

Section 2.05. Quorum. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of Stockholders for the transaction of business except as otherwise provided by statute, by the Certificate of Incorporation or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of Stockholders, the Stockholders entitled to vote at that meeting present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such an adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 2.06. Voting. Except as otherwise required by statute, the Certificate of Incorporation or these By-Laws, at every meeting of Stockholders each Stockholder entitled to vote at that meeting shall have one vote for each share of stock having voting rights held by that Stockholder and registered in that Stockholder's name on the books of the Corporation at the record date fixed or otherwise determined for that meeting. Any Stockholder entitled to vote may vote in person or by that Stockholder's proxy appointed by an instrument in writing signed by that Stockholder or by that Stockholder's authorized attorney and delivered to the Secretary of the meeting; provided, however, that no proxy shall be voted on after 3 years from its date unless that proxy provides for a longer period. Except as otherwise required by statute, the Certificate of Incorporation or these By-Laws, or in electing directors, all matters coming before any meeting of Stockholders shall be decided by a majority vote of the Stockholders of the Corporation present in person or by proxy and entitled to vote at that meeting, a quorum being present. At all elections of directors a plurality of the votes cast shall elect.

Section 2.07. List of Stockholders. A complete list of the Stockholders entitled to vote at each meeting of Stockholders, arranged in alphabetical order, and showing the address of each Stockholder and the number of shares registered in the name of each Stockholder, shall be prepared by the Secretary or other officer of the Corporation having charge of the stock ledger. That list shall be open to the examination of any Stockholder for any purpose relevant to the meeting, during ordinary business hours, for a period of at least 24 hours prior to the meeting (unless a longer period is required by statute), either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held, and the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any Stockholder who may be present.

Section 2.08. Informal Action. Any action required or permitted to be taken at any annual or special meeting of Stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, are (i) signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and (ii) delivered to the Corporation, including, without limitation, by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of Stockholders are recorded. Every written consent shall bear the date of signature of each Stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered in the manner required by this Section 2.08 to the Corporation, written consents signed by a sufficient number of holders to take action are delivered to the Corporation in accordance with this Section 2.08. Written consents may be signed and delivered in facsimile or electronic form. The Secretary of the Corporation shall give prompt notice of the taking of such action without a meeting by less than unanimous written consent to those Stockholders who have not so consented in writing.

ARTICLE III
DIRECTORS

Section 3.01. Powers. The property and business of the Corporation shall be managed by or under the direction of its Board which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the Stockholders.

Section 3.02. Number; Classification. The total number of authorized directors shall be fixed from time to time exclusively by the Board pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption). The directors shall be divided into three classes with the term of office of the first class (Class I) to expire at the first annual meeting of the Stockholders following the closing date of the first sale of the Corporation's Common Stock pursuant to an exemption from registration under the Securities Act of 1933, as amended, pursuant to Regulation A (the "Effective Date"), the term of office of the second class (Class II) to expire at the second annual meeting of Stockholders following the Effective Date; the term of office of the third class (Class III) to expire at the third annual meeting of stockholders following the Effective Date; and thereafter for each such term to expire at each third succeeding annual meeting of Stockholders after such election. All directors shall hold office until the expiration of the term for which elected, and until their respective successors are elected, except in the case of the death, resignation or removal of any director. Any director may resign at any time by giving written notice to the Corporation, and that resignation shall take effect immediately upon receipt by the Corporation if no time is specified therein, or at such later time as the resigning director may specify. The directors shall be elected at the annual meeting of the Stockholders, except as provided in Section 3.03 or Section 3.07.

Section 3.03. Vacancies. If any vacancies occur in the Board caused by death, resignation, retirement, disqualification or removal from office of any directors or otherwise, or any new directorship is created by any increase in the authorized number of directors, a majority of the directors then in office, though less than a quorum, or the remaining sole director, may choose a successor or successors, or fill the newly created directorship, and the director so chosen shall hold office for a term expiring at the next annual meeting of stockholders at which the term of office of the class to which they have been elected expires, and until their respective successors are elected, except in the case of the death, resignation or removal of any director.

Section 3.04. Meetings. Regular meetings of the Board shall be held at such times and places as the Board may from time to time determine by resolution, and the Secretary shall call special meetings at the request of the Chief Executive Officer or two or more directors, or by one director in the event that there is only a single director in office, whenever in their judgment it may be necessary, by notice duly given by the Secretary to each director not less than 24 hours before the meeting. That notice may be given by United States mail or nationally recognized overnight delivery service, or personally, or by telephone, facsimile or other electronic means, and shall be deemed to have been given (i) if given by United States mail, 5 days after mailing, (ii) if given by overnight delivery service, on the day after the day on which it is delivered and (iii) if given by telephone, facsimile or other electronic means, on the day on which it was dispatched. Each newly elected Board shall meet and organize at the place of the meeting of the Stockholders on the same date as the annual meeting of the Stockholders at which that Board was elected and as soon as reasonably practicable after the adjournment of that annual meeting of the Stockholders, and no notice of that meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event that meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as provided in these By-Laws for special meetings of the Board or as shall be specified in a written waiver signed by all of the directors. Notice need not be given of regular meetings of the Board held at the time and place fixed by resolution of the Board. Meetings may be held at any time without notice if all the directors are present, or if at any time before or after the meeting those not present waive notice of the meeting in writing.

Section 3.05. Quorum. At all meetings of the Board the presence of a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation or these By-Laws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.06. Committees. The Board may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation, which, to the extent provided in that resolution or resolutions and subject to any restrictions imposed by applicable law, shall have and may exercise the powers of the Board in the management of the business and affairs of the Corporation. Any such committee shall have such name as may be determined from time to time by resolution adopted by the Board. Unless otherwise provided in the resolution of the Board designating a committee, each committee shall have the power to adopt rules and regulations for the calling and holding of meetings, and in the absence of the adoption of such rules and regulations the provisions of these By-Laws relating to the calling and holding of meetings of the Board shall apply. Unless otherwise provided in the resolution of the Board designating a committee, each committee may select a Chairman and a majority of a committee shall constitute a quorum. A committee shall keep minutes of its meetings. The Board shall have the power at any time to fill vacancies in, to change the membership of, or to discharge any such committee.

Section 3.07. Removal of Directors. At any special meeting of the Stockholders, duly called, as provided in these By-Laws, any director or directors, by the affirmative vote of the holders of not less than two-thirds of all shares of stock outstanding and entitled to vote for the election of directors, may be removed from office only for cause and the successor or successors to those removed directors may be elected at that meeting; or the remaining directors may, to the extent vacancies are not filled by that election, fill any vacancy or vacancies created by that removal. At any meetings of the Board any director or directors, by the vote of a majority of the Board, may be removed from office for cause and the successor or successors to those removed directors elected under the provisions of Section 3.03 of these By-Laws.

Section 3.08. Interested Directors. No contract or transaction between the Corporation and 1 or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for that reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because the director's votes are counted for that purpose, if: (1) the material facts as to that person's relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or (2) the material facts as to that person's relationship or interest and as to the contract or transaction are disclosed or are known to the Stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the Stockholders; or (3) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board, a committee thereof, or the Stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the contract or transaction.

Section 3.09. Informal Action. Any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if a written consent thereto is signed by all of the members of the Board or of the committee, as the case may be, and that written consent is filed with the minutes of proceedings of the Board or that committee. That written consent may be signed and filed in facsimile or electronic form.

Section 3.10. Meetings Via Conference Telephone. Members of the Board, or any committee designated by the Board, may participate in a meeting of the Board or a committee by means of a conference telephone or similar communications equipment with which all persons participating in the meeting can hear each other, and participation in a meeting under this Section 3.10 shall constitute presence in person at that meeting.

Section 3.11. Compensation of Directors. Directors who are not salaried officers or salaried employees of the Corporation shall be entitled to receive such compensation for their services as may from time to time be determined by the Board, and all directors shall be entitled to reimbursement of their reasonable expenses of attendance at each regular or special meeting of the Board. Like compensation may be allowed by the Board for attendance at committee meetings. Nothing herein contained shall be construed to preclude any Director from serving the Corporation as a salaried officer or salaried employee, or from rendering advice or services to the Corporation in any other capacity, and receiving compensation therefor.

ARTICLE IV
OFFICERS

Section 4.01. Number. The officers of the Corporation shall be chosen by the Board and shall be a Chief Executive Officer, Chief Executive Officer, a Treasurer and a Secretary, and, in the discretion of the Board, one or more Vice Presidents, one or more Assistant Treasurers and one or more Assistant Secretaries. Officers may, but need not, be directors. One person may hold more than one office. The Board may also elect other officers with such titles, powers and duties as the Board shall designate.

Section 4.02. Term and Removal. Each officer of the Corporation shall hold office until that officer's successor is elected and qualified or until that officer's earlier death, resignation or removal. The Board may remove any officer at any time. Any officer may resign at any time by giving written notice to the Corporation, and that resignation shall take effect immediately upon receipt by the Corporation if no time is specified therein, or at such later time as the resigning officer may specify therein. If the office of any officer becomes vacant for any reason, the Board may fill the vacancy.

Section 4.03. Powers and Duties. The officers of the Corporation shall each have such powers and duties as may be assigned by statute, the Certificate of Incorporation or these By-Laws or, if not so assigned, as generally pertain to their respective offices, as well as such powers and duties as the Board may grant to them from time to time. The Board may require any officer to give security for the faithful performance of his or her duties.

Section 4.04. Voting Corporation's Securities. Unless otherwise determined by the Board, the Chief Executive Officer, the Chief Operating Officer, the Treasurer and the Secretary shall each have full power and authority on behalf of the Corporation to attend and to act and to vote, in person or by proxy, at any meetings of security holders of corporations or other entities in which the Corporation may hold securities, and at those meetings shall possess and may exercise any and all rights and powers incident to the ownership of those

securities that the Corporation as the owner of those securities might have possessed and exercised if present. Those rights and powers shall include the right to waive notice of meetings and to consent to action taken without a meeting. The Board by resolution from time to time may confer like powers upon any other person or persons.

Section 4.05. Chief Executive Officer. The Chief Executive Officer shall be the principal executive officer of the Corporation and shall, subject to the Board's oversight, generally manage the Corporation's business and implement the Board's resolutions. The Chief Executive Officer shall have all such further powers and duties as generally are incident to the position of Chief Executive Officer or as the Board may from time to time assign.

Section 4.06. Chief Operating Officer. Subject to the oversight of the Board, the Chief Operating Officer shall exercise direction and control over the day-to-day operations of the Corporation. In the case of the death or total and permanent disability of the Chief Executive Officer, the Chief Operating Officer, shall perform all of the duties of that officer, and when so acting shall have all the powers of and be subject to all the restrictions upon that officer, including the power to sign all instruments and to take all actions that that officer is authorized to perform by the Board or these Bylaws. The Chief Operating Officer shall have the general powers and duties of management usually vested in the office of the chief operating officer of a corporation and such other powers and duties as from time to time may be assigned to the Chief Operating Officer by the Chief Executive Officer or Board.

Section 4.07 Secretary. The Secretary shall, to the extent practicable, record all proceedings of meetings of the Stockholders and Board in a book or electronic records kept for that purpose and shall file in that book or those electronic records all written consents of Stockholders and directors to any action taken without a meeting. The Secretary shall attend to the giving and serving of all notices of the Corporation. The Secretary shall have custody of the seal of the Corporation, if any, and shall attest the same by signature whenever required. The Secretary shall have charge of the stock ledger and such other books and papers as the Board may direct, but may delegate responsibility for maintaining the stock ledger to any transfer agent appointed by the Board. The Secretary shall have all such further powers and duties as generally are incident to the position of Secretary or as the Board or the Chief Executive Officer may from time to time assign.

Section 4.08. Treasurer. The Treasurer shall have charge of all funds and securities of the Corporation, shall endorse the same for deposit or collection when necessary and deposit the same to the credit of the Corporation in such banks or depositories as the Board may authorize. The Treasurer may endorse all commercial documents requiring endorsements for or on behalf of the Corporation and may sign all receipts and vouchers for payments made to the Corporation. The Treasurer shall have all such further powers and duties as generally are incident to the position of Treasurer or as the Chief Executive Officer or the Board may from time to time assign.

Section 4.09. Vice Presidents. Each Vice President shall have such powers and perform such duties as the Board or the Chief Executive Officer may from time to time assign. In the absence or inability to act of the Chief Executive Officer, unless the Board shall otherwise provide, the Vice President who has served in that capacity for the longest time and who shall be present and able to act, shall perform all the duties and may exercise any of the powers of the Chief Executive Officer. The performance of any duty by a Vice President shall, in respect of any other person dealing with the Corporation, be conclusive evidence of that Vice President's power to act.

Section 4.10. Assistant Treasurers. In the absence or inability to act of the Treasurer, any Assistant Treasurer may perform all the duties and exercise all the powers of the Treasurer. The performance of any such duty shall, in respect of any other person dealing with the Corporation, be conclusive evidence of that Assistant Treasurer's power to act. An Assistant Treasurer shall also perform such other duties as the Treasurer or the Board may assign to that Assistant Treasurer.

Section 4.11. Assistant Secretaries. In the absence or inability to act of the Secretary, any Assistant Secretary may perform all the duties and exercise all the powers of the Secretary. The performance of any such duty shall, in respect of any other person dealing with the Corporation, be conclusive evidence of that Assistant Secretary's power to act. An Assistant Secretary shall also perform such other duties as the Secretary or the Board may assign to that Assistant Secretary.

Section 4.12. Signing Authority. Except as the Board may otherwise determine, each officer of the Corporation shall have the power to sign, execute and affix the seal of the Corporation to the Corporation's contracts, bonds, mortgages and other instruments and documents, in each case related to the Corporation's business, on behalf of the Corporation.

Section 4.13. Delegation of Duties. In case of the absence of any officer of the Corporation, or for any other reason that the Board or the Chief Executive Officer may deem sufficient, the Board or the Chief Executive Officer may confer the powers or duties, or any of them, of that officer upon any other officer or upon any director.

ARTICLE V
CERTIFICATES OF STOCK

Section 5.01. Form. The interest of each Stockholder shall be evidenced by a certificate or certificates for shares of stock of the Corporation in such form as the Board may from time to time determine, provided, that, the Board may determine by resolution that the Corporation's stock shall be uncertificated, in which case the interest of each Stockholder shall be evidenced solely by an entry in the Corporation's stock ledger. Any certificates of stock shall be signed by the Chief Executive Officer or a Vice President and the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary. Any or all of the signatures on a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be an officer, the transfer agent or registrar before that certificate is issued, it may be issued by the Corporation with the same effect as if that officer, transfer agent or registrar had not ceased to be such at the time of its issue.

Section 5.02. Lost, Stolen or Destroyed Certificates. No certificates for shares of stock of the Corporation shall be issued in place of any certificates alleged to have been lost, stolen or destroyed except upon production of such evidence of the loss, theft or destruction and upon indemnification of the Corporation and its agents to such extent and in such manner as the Board from time to time may determine.

Section 5.03. Transfers. Transfers of shares of the capital stock of the Corporation shall be made only on the books of the Corporation by the registered holder thereof, or by the holder's authorized attorney, and only upon surrender of the certificate or certificates for those shares properly endorsed, or delivery of the evidence of loss, theft or destruction and indemnity required by Section 5.02. The Board from time to time may make such additional rules and regulations as it may deem expedient, not inconsistent with these By-Laws, concerning the issue, transfer and registration of certificates for shares of the capital stock of the Corporation.

Section 5.04. Fixing Record Date. (a) In order that the Corporation may determine the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of that meeting, nor more than 60 days prior to any other action. Only such Stockholders as shall be Stockholders of record on the date so fixed shall be entitled to notice of, and to vote at, that meeting and any adjournment thereof, or to express consent or dissent to corporate action in writing without a meeting, or to receive payment of that dividend or other distribution, or to exercise any such rights in respect of any such change, conversion or exchange of stock, or to participate in any such action, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any record date so fixed.

(b) If no record date is fixed by the Board, (i) the record date for determining Stockholders entitled to notice of or to vote at a meeting of Stockholders shall be at the close of business on the day next preceding the date on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, (ii) the record date for determining Stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board is necessary, shall be the day on which the first written consent is expressed, and (iii) the record date for determining Stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

(c) Except as otherwise determined by law, a determination of Stockholders of record entitled to notice of or to vote at a meeting of Stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

Section 5.05. Holder of Record. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in that share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Section 5.06. Examination of Books by Stockholders. Except as otherwise provided herein, the Board shall have the power to determine, from time to time, whether and to what extent and at what times and places and under what conditions and regulations the accounts and books and documents of the Corporation, or any of them, shall be open to the inspection of the Stockholders; and, except as otherwise provided by law or determined by the Board, no Stockholder shall otherwise have any right to inspect any account or book or document of the Corporation.

ARTICLE VI
GENERAL PROVISIONS

Section 6.01. Dividends. Dividends upon the stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

Section 6.02. Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board from time to time may designate. Signatures may be in facsimile if so authorized by the Board.

Section 6.03. Corporate Seal. The Corporation may, in the Board's discretion, have a corporate seal in such form as the Board may determine in its discretion. That seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VII
INDEMNIFICATION

Section 7.01. Indemnification Generally. The Corporation shall, to the fullest extent permitted by applicable law, including, without limitation, Section 145 of the Delaware General Corporation Law, as the same exists or may be amended, indemnify, defend and hold harmless each Indemnitee from and against any and all losses, claims, damages, liabilities, expenses (including reasonable attorneys' fees and costs), judgments, fines, settlements, demands, actions, and suits relating to or arising out of (a) the business of the Corporation, (b) the exercise by that Indemnitee of any authority conferred on that Indemnitee, or the performance of any duties and obligations imposed on that Indemnitee, under the Certificate of Incorporation, these By-Laws or any resolutions of the Board or the Stockholders, (c) that Indemnitee's service, at the Corporation's request, as a director or officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise or (d) the successful assertion by that Indemnitee in a legal proceeding that that Indemnitee is entitled to indemnification by the Corporation under these By-Laws or otherwise. "Indemnitee" means any director, officer, employee or agent of the Corporation and any person serving, at the Corporation's request, as a director or officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. Notwithstanding the preceding sentence, except for claims for indemnification (following the final disposition of that legal proceeding) or advancement of expenses not paid in full, the Corporation shall be required to indemnify a Indemnitee in connection with a legal proceeding (or part thereof) commenced by that Indemnitee only if the commencement of that proceeding (or part thereof) by that Indemnitee was authorized in the specific case by the Board.

Section 7.02. Advancement of Expenses. If any Indemnitee is, or is threatened to be made, a named defendant or respondent in a legal proceeding involving a matter for which that Indemnitee is entitled to indemnification under these By-Laws, the Corporation shall, upon that Indemnitee's request, pay or reimburse to that Indemnitee the reasonable expenses incurred by that Indemnitee of the type entitled to be indemnified under these By-Laws in advance of the final disposition of the proceeding and without any determination as to the Indemnitee's ultimate entitlement to indemnification; provided, that, the Corporation shall make those advances only upon that Indemnitee's delivery to the Corporation of (i) a written affirmation by that Indemnitee of that Indemnitee's good faith belief that that Indemnitee has met the standard of conduct necessary for indemnification under these By-Laws and (ii) a written undertaking, by or on

behalf of that Indemnitee, to repay all amounts so advanced if it shall ultimately be determined that that Indemnitee is not entitled to be indemnified under these By-Laws or otherwise.

Section 7.03. Non-Exclusive Indemnification. The indemnification and advancement of expenses provided by or granted pursuant to these By-Laws shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under applicable law, including, without limitation, the Delaware General Corporation Law, the Certificate of Incorporation, any agreement, any resolution adopted by the Stockholders or by disinterested members of the Board, or otherwise, both as to action in their official capacity and as to action in another capacity while holding that office.

ARTICLE VIII
AMENDMENTS

Section 8.01. Amendments. These By-Laws may be altered or repealed (a) at any regular meeting of the Stockholders or at any special meeting of the Stockholders at which a quorum is present or represented, by the affirmative vote of at least two-thirds of the stock entitled to vote thereon at that meeting and present or represented thereat or (b) at any regular or special meeting of the Board by the affirmative vote of at least a majority of the Board present at that meeting. Notwithstanding the preceding sentence, no amendment to, or repeal of, these By-Laws shall reduce or limit the right to indemnification of any Indemnitee for acts or omissions of that Indemnitee occurring prior to that amendment or repeal.

* * *

Exhibit 4.1

Prime Harvest, Inc., a Delaware corporation
COMMON STOCK SHARES
REGULATION A+ SUBSCRIPTION AGREEMENT

Investing in securities represented by shares of common stock ("**Shares**") of Prime Harvest, Inc. (the "**Company**") involves significant risks. This investment is suitable only for persons who can afford to lose their entire investment and such investment could be illiquid for an indefinite period of time. No public market currently exists for the Shares, and if a public market develops following this offering, it may not continue.

The Shares have not been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities or blue-sky laws and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and state securities or blue-sky laws. Although an offering statement has been filed with the Securities and Exchange Commission (the "**SEC**"), that offering statement does not include the same information that would be included in a registration statement under the Securities Act. The Shares have not been approved or disapproved by the SEC, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon the merits of this offering or the adequacy or accuracy of the offering circular or any other materials or information made available to subscriber in connection with this offering, through the online website platform https://primeharvestinc.com/invest, (the "**Platform**" or "**Portal**") or the SEC's EDGAR website at www.sec.gov.

No sale may be made to persons in this offering who are not "accredited investors" if the aggregate purchase price is more than 10% of the greater of such investors' annual income or net worth. The Company is relying on the representations and warranties set forth by each subscriber in this Subscription Agreement and the other information provided by subscriber in connection with this offering to determine compliance with this requirement.

Prospective investors may not treat the contents of the Subscription Agreement, the offering circular or any of the other materials available (collectively, the "**Offering Materials**") or any prior or subsequent communications from the Company or any of its affiliates, officers, employees or agents as investment, legal or tax advice. In making an investment decision, investors must rely on their own examination of the Company and the terms of this offering, including the merits and the risks involved. Each prospective investor should consult the investor's own counsel, accountant and other professional advisor as to investment, legal, tax and other related matters concerning the investor's proposed investment.

The Company reserves the right in its sole discretion and for any reason whatsoever to modify, amend and/or withdraw all or a portion of the offering and/or accept or reject in whole or in part any prospective investment in the Shares or to allot to any prospective investor less than the amount of Shares such investor desires to purchase.

Except as otherwise indicated, the Offering Materials speak as of their date. Neither the delivery nor the purchase of the Shares shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since that date.

This agreement ("**Subscription Agreement**," or "**Agreement**") is made as of the date set forth below by and between the undersigned ("**Subscriber**") the Company and is intended to set forth certain representations, covenants and agreements between Subscriber and the Company with respect to the offering (the "**Offering**") for sale by the Company of the Shares as described in the Company's Offering Circular dated , 2022 (the "**Offering Circular**"), a copy of which has been delivered to Subscriber. The Shares are also referred to herein as the "**Securities**."

SUBSCRIPTION

1. Subscription. Subject to the terms and conditions hereof, Subscriber hereby irrevocably subscribes for and agrees to purchase from the Company the number of Shares set forth on the Subscription Agreement Signature Page, and the Company agrees to sell such Shares to Subscriber at a purchase price of $4.20 per Share for the total amount set forth on the Subscription Agreement Signature Page (the "**Purchase Price**"), subject to the Company's right to sell to Subscriber such lesser number of Shares as the Company may, in its sole discretion, deem necessary or desirable.

2. Delivery of Subscription Amount; Acceptance of Subscription; Delivery of Securities. Subscriber understands and agrees that this Subscription is made subject to the following terms and conditions:

a. Contemporaneously with the execution and delivery of this Agreement through the Platform, Subscriber shall pay the Purchase Price for the Shares in the form of ACH debit transfer, wire transfer, or credit card. Your subscription is irrevocable. The escrow agent (the "Escrow Agent") appointed by the Company will maintain all such funds for Subscriber's benefit until the earliest to occur of: (i) the Closing (as defined below), (ii) the rejection of such subscription or (iii) the termination of the Offering by the Company in its sole discretion;

b. Payment of the Purchase Price shall be made by Subscriber via the Portal, and shall be held in escrow by the Escrow Agent until Closing, after which time, the funds tendered by Subscriber will be available to the Company;

c. This subscription shall be deemed to be accepted only when this Agreement has been signed by an authorized officer or agent of the Company (the "**Closing**"), and **the deposit of the payment of the Purchase Price for clearance will not be deemed an acceptance of this Agreement**;

d. The Company shall have the right to reject this subscription, in whole or in part;

e. The payment of the Purchase Price (or, in the case of rejection of a portion of the Subscriber's subscription, the part of the payment relating to such rejected portion) will be returned promptly, without interest or deduction, if Subscriber's subscription is rejected in whole or in part or if the Offering is withdrawn or canceled;

f. Subscriber shall receive notice and evidence of the digital entry (or other manner of record) of the number of the Shares owned by Subscriber reflected on the books and records of the Company and verified by the company's transfer agent (the "**Transfer Agent**"), which books and records shall bear a notation that the Shares were sold in reliance upon Regulation A;

g. The Offering is described in the Offering Circular, that is available through the online website platform https://primeharvestinc.com/invest, or the SEC's EDGAR website at www.sec.gov. Please read this Agreement, the Offering Circular, and the Company's bylaws (the "**Bylaws**"). While they are subject to change, as described below, the Company advises you to print and retain a copy of these documents for your records.

REPRESENTATIONS AND WARRANTIES OF SUBSCRIBER

By executing this Subscription Agreement, Subscriber (and, if Subscriber is purchasing the Securities subscribed for hereby in a fiduciary capacity, the person or persons for whom Subscriber is so purchasing) represents and warrants, which representations and warranties are true and complete in all material respects as of the date of the Closing:

3. Requisite Power and Authority. Such Subscriber has all necessary power and authority under all applicable provisions of law to execute and deliver this Subscription Agreement. All action on Subscriber's part required for the lawful execution and delivery of this Subscription Agreement has been or will be effectively taken prior to the Closing. Upon execution and delivery, this Subscription Agreement will be a valid and binding obligation of Subscriber, enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (b) as limited by general principles of equity that restrict the availability of equitable remedies.

4. Investment Representations. Subscriber understands that the Securities have not been registered under the Securities Act. Subscriber also understands that the Securities are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon Subscriber's representations contained in this Agreement. Subscriber is purchasing the Shares for Subscriber's own account. Subscriber has received and reviewed this Agreement, The Offering Circular and the Bylaws. Subscriber and/or Subscriber's advisors, who are not affiliated with and not compensated directly or indirectly by the Company or an affiliate thereof, have such knowledge and experience in business and financial matters as will enable them to utilize the information which they have received in connection with the Offering to evaluate the merits and risks of an investment, to make an informed investment decision and to protect Subscriber's own interest in connection with an investment in the Shares.

5. Illiquidity and Continued Economic Risk. Subscriber acknowledges and agrees that there is no ready public market for the Securities and that there is no guarantee that a market for their resale will ever exist. Subscriber must bear the economic risk of this

investment indefinitely and the Company has no obligation to list the Securities on any market or take any steps (including registration under the Securities Act or the Securities Exchange Act of 1934, as amended) with respect to facilitating trading or resale of the Securities. Subscriber acknowledges that Subscriber is able to bear the economic risk of losing Subscriber's entire investment in the Securities. Subscriber also understands that an investment in the Company involves significant risks and has taken full cognizance of and understands all of the risk factors relating to the purchase of Securities.

6. Accredited Investor Status or Investment Limits. Subscriber represents that either:

a. Subscriber is an "**accredited investor**" within the meaning of Rule 501 of Regulation D under the Securities Act; or

b. The Purchase Price set out below, on the signature page of this Agreement, together with any other amounts previously used to purchase Securities in this Offering, does not exceed 10% of the greater of the Subscriber's annual income or net worth. Subscriber represents that to the extent it has any questions with respect to its status as an accredited investor, or the application of the investment limits, it has sought professional advice.

7. Additional Subscriber Information; Payment Information. Subscriber agrees to provide any additional documentation the Company may reasonably request, including documentation as may be required by the Company to form a reasonable basis that the Subscriber qualifies as an "accredited investor" as that term is defined in Rule 501 under Regulation D promulgated under the Act, or otherwise as a "**qualified purchaser**" as that term is defined in Regulation A promulgated under the Act, or as may be required by the securities administrators or regulators of any state, to confirm that the Subscriber meets any applicable minimum financial suitability standards and has satisfied any applicable maximum investment limits. Subscriber acknowledges that Subscriber's responses to questions on the Platform are true, complete and accurate in all respects. Payment information provided by Subscriber through the Platform is true, accurate and correct and such payment information shall be deemed to be a part of this Agreement as if and to the same extent that such information was set forth herein.

8. Company Information. Subscriber has read the Offering Circular filed with the SEC, including the section titled "**Risk Factors**." Subscriber understands that the Company is subject to all the risks that apply to early-stage companies, whether or not those risks are explicitly set out in the Offering Circular. Subscriber acknowledges that no representations or warranties have been made to Subscriber, or to Subscriber's advisors or representative, by the Company or others with respect to the business or prospects of the Company or its financial condition.

9. Neither the Company nor the Platform is an Investment Advisor. Subscriber understands that neither the Company nor the Platform is registered under the Investment Company Act of 1940 or the Investment Advisers Act of 1940.

10. Valuation. Subscriber acknowledges that the price of the Securities was set by the Company on the basis of the Company's internal valuation and no warranties are made as to value. Subscriber further acknowledges that future offerings of Securities may be made at lower valuations, with the result that the Subscriber's investment will bear a lower valuation.

11. Domicile. Subscriber maintains Subscriber's domicile (and is not a transient or temporary resident) at the address shown on the signature page and provided on the Platform.

12. Power of Attorney. Any power of attorney of the Subscriber granted in favor of the Company has been executed by the Subscriber in compliance with the laws of the state, province or jurisdiction in which such agreements were executed.

13. No Brokerage Fees. Other than commissions payable to Rialto Markets, a licensed broker-dealer, as placement agent, there are no claims for brokerage commission, finders' fees or similar compensation in connection with the transactions contemplated by this Subscription Agreement or related documents based on any arrangement or agreement binding upon Subscriber. Subscriber will indemnify and hold the Company harmless against any liability, loss or expense (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses) arising in connection with any such claim.

14. Foreign Investors. If Subscriber is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Subscriber hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Securities or any use of this Subscription Agreement, including (a) the legal requirements within its jurisdiction for the purchase of the Securities, (b) any foreign exchange restrictions applicable to such purchase, (c) any governmental or other consents that may need to be obtained, and (d) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the Securities. Subscriber's subscription and payment for and continued beneficial ownership of the Securities will not violate any applicable securities or other laws of the Subscriber's jurisdiction.

15. Terms and Conditions of the Platform. Subscriber acknowledges that it has read, understands and agrees to the terms and conditions, privacy policy and disclaimers on the Platform.

16. Transfer Restrictions. Subscriber acknowledges and agrees that the Shares may be subject to restrictions on transfer pursuant to applicable federal and state laws, the Company's Bylaws, and this Agreement. The Shares may not be sold, offered for sale, pledged or hypothecated in the absence of a registration statement in effect with respect to the Shares under the Securities Act or an opinion of legal counsel satisfactory to the Company that such registration is not required or unless the Shares are sold pursuant to Rule 144 or Rule 144A of the Securities Act. The Shares shall bear a digital or physical restrictive legend in substantially the following form (and a stop transfer order may be placed against transfer of such certificates or instruments):

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITES ACT OF 1933 AND THEY ARE SUBJECT TO SIGNIFICANT

RESTRICTIONS ON TRANSFER PURSUANT TO APPLICABLE FEDERAL AND STATE LAWS, THE COMPANY'S BYLAWS OF INCORPORATION AND THE SUBSCRIPTION AGREEMENT PURSUANT TO WHICH THESE SECURITIES WERE ORIGINALLY SOLD. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED OR UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A OF SUCH ACT.

ANY PURPORTED TRANSFER IN VIOLATION OF SUCH PROVISIONS SHALL BE VOID, AB INITIO.

SURVIVAL; INDEMNIFICATION

17. Survival; Indemnification. All representations, warranties and covenants contained in this Agreement and the indemnification contained herein shall survive (a) the acceptance of this Agreement by the Company, (b) changes in the transactions, documents and instruments described herein which are not material or which are to the benefit of Subscriber, and (c) the death or disability of Subscriber. Subscriber acknowledges the meaning and legal consequences of the representations, warranties and covenants herein, and that the Company has relied upon such representations, warranties and covenants in determining Subscriber's qualification and suitability to purchase the Securities. Subscriber hereby agrees to indemnify, defend and hold harmless the Company, its officers, directors, employees, agents and controlling persons, from and against any and all losses, claims, damages, liabilities, expenses (including attorneys' fees and disbursements), judgments or amounts paid in settlement of actions arising out of or resulting from the untruth of any representation of Subscriber herein or the breach of any warranty or covenant herein by Subscriber. Notwithstanding the foregoing, however, no representation, warranty, covenant or acknowledgment made herein by Subscriber shall in any manner be deemed to constitute a waiver of any rights granted to it under the Securities Act or state securities laws.

MISCELLANEOUS PROVISIONS

18. Caption and Headings. The Article and Section headings throughout this Agreement are for convenience of reference only and shall in no way be deemed to define, limit or add to any provision of this Agreement.

19. Notification of Changes. Subscriber agrees and covenants to notify the Company immediately upon the occurrence of any event prior to the consummation of this Offering that would cause any representation, warranty, covenant or other statement contained in this Agreement to be false or incorrect or of any change in any statement made herein occurring prior to the consummation of this Offering.

20. Assignability. This Agreement is not assignable by Subscriber, and may not be modified, waived or terminated except by an instrument in writing signed by the party against whom enforcement of such modification, waiver or termination is sought.

21. Binding Effect. Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and assigns, and the agreements, representations, warranties and acknowledgments contained herein shall be deemed to be made by and be binding upon such heirs, executors, administrators, successors, legal representatives and assigns.

22. Obligations Irrevocable. The obligations of Subscriber shall be irrevocable, except with the consent of the Company, until the consummation or termination of the Offering.

23. Entire Agreement; Amendment. This Agreement states the entire agreement and understanding of the parties relating to the matters contained herein, superseding all prior contracts or agreements, whether oral or written. No amendment of the Agreement shall be made without the express written consent of the parties.

24. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect any other provision hereof, which shall be construed in all respects as if such invalid or unenforceable provision were omitted.

25. Notices. All notices and communications to be given or otherwise made to the Subscriber shall be deemed to be sufficient if sent by electronic mail to such address as set forth for the Subscriber at the records of the Company (or that you submitted to us via the Platform). You shall send all notices or other communications required to be given hereunder to the Company via email at (with a copy to be sent concurrently via prepaid certified mail to: Prime Harvest, Inc.
1210 Olive St., Ramona, California 92064 Attention: Investor Relations. Any such notice or communication shall be deemed to have been delivered and received on the first business day following that on which the electronic mail has been sent (assuming that there is no error in delivery). As used in this Section, "**business day**" shall mean any day other than a day on which banking institutions in the State of Minnesota are legally closed for business.

26. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which together shall be deemed to be one and the same agreement.

27. Digital Signatures. Digital ("**electronic**") signatures, often referred to as an "**e-signature**", enable paperless contracts and help speed up business transactions. The 2001 E-Sign Act was meant to ease the adoption of electronic signatures. The mechanics of this Subscription Agreement's electronic signature include your signing this Agreement below by typing in your name, with the underlying software recording your IP address, your browser identification, the timestamp, and a securities hash within an SSL encrypted environment. This electronically signed Subscription Agreement will be available to both you and the Company, as well as any associated brokers, so they can store and access it at any time, and it will be stored and accessible on the Platform and hosting provider, including backups. You and the Company each hereby consents and agrees that electronically signing this Agreement constitutes your signature, acceptance and agreement as if actually signed by you in writing. Further, all parties agree that no certification authority or other third-party verification is necessary to validate any electronic signature; and that the lack of such certification or third-party verification will not in any way affect the enforceability of your signature or resulting contract between you and the Company. You understand and agree that your e-signature executed in conjunction with the electronic submission of this Subscription Agreement shall be legally binding and such transaction shall be considered authorized by you. By signing electronically below, you agree your electronic signature is the legal equivalent of your manual signature on this Subscription Agreement and you consent to be legally bound by this Subscription Agreement's terms and conditions. Alternatively, you may opt-out of this provision by printing a copy of this Agreement, signing it manually and returning it to the Company and, if your subscription is accepted, the Company will manually countersign it and return a countersigned copy to you via email.

28. Consent to Electronic Delivery of Tax Documents. Please read this disclosure about how the Company will provide certain documents that it is required by the Internal Revenue Service (the "**IRS**") to send to you ("**Tax Documents**") in connection with your Shares. A Tax Document provides important information you need to complete your tax returns. Tax Documents include Form 1099 and/or Form K-1. Occasionally, the Company is required to send you CORRECTED Tax Documents. Additionally, the Company may

include inserts with your Tax Documents. The Company is required to send Tax Documents to you in writing, which means in paper form. When you consent to electronic delivery of your Tax Documents, you will be consenting to delivery of Tax Documents, including these corrected Tax Documents and inserts, electronically instead of in paper form. By executing this Agreement on the Platform, you are consenting in the affirmative that the Company may send Tax Documents to you electronically and acknowledging that you are able to access Tax Documents from the site. If you subsequently withdraw consent to receive Tax Documents electronically, a paper copy will be provided. Your consent to receive the Tax Documents electronically continues for every tax year until you withdraw your consent. You can withdraw your consent before the Tax Document is furnished by mailing a letter including your name, mailing address, effective tax year, and indicating your intent to withdraw consent to the electronic delivery of Tax Documents to: Prime Harvest, Inc., 1210 Olive St., Ramona, California 92064, Attention: Investor Relations. If you withdraw consent to receive Tax Documents electronically, a paper copy will be provided. You Must Keep Your E-mail Address Current with the Company. You must promptly notify the Company of a change of your email address. If your mailing address, email address, telephone number or other contact information changes, you may also provide updated information by contacting the Company.

29. Electronic Delivery of Information. Subscriber and the Company each hereby agrees that all current and future notices, confirmations and other communications regarding this Agreement and future communications in general between the parties, may be made by email, sent to the email address of record as set forth in this Agreement or as otherwise from time to time changed or updated and disclosed to the other party, without necessity of confirmation of receipt, delivery or reading, and such form of electronic communication is sufficient for all matters regarding the relationship between the parties. If any such electronically sent communication fails to be received for any reason, including but not limited to such communications being diverted to the recipients spam filters by the recipients email service provider, or due to a recipient's change of address, or due to technology issues by the recipients service provider, the parties agree that the burden of such failure to receive is on the recipient and not the sender, and that the sender is under no obligation to resend communications via any other means, including but not limited to postal service or overnight courier, and that such communications shall for all purposes, including legal and regulatory, be deemed to have been delivered and received. No physical, paper documents will be sent to you, and if you desire physical documents then you agree to be satisfied by directly and personally printing, at your own expense, the electronically sent communication(s) and maintaining such physical records in any manner or form that you desire.

[*SIGNATURE APPEARS ONLINE*]

Exhibit 4.2

AIR COMMERCIAL REAL ESTATE ASSOCIATION
STANDARD INDUSTRIAL/COMMERCIAL SINGLE-TENANT LEASE – NET
(DO NOT USE THIS FORM FOR MULTI-TENANT BUILDINGS)

1. Basic Provisions ("Basic Provisions").

1.1 **Parties:** This Lease ("Lease"), dated for reference purposes only ., 2017, is made by and between High Sierra Equity, LLC ("Lessor") and Anomar Management, LLC ("Lessee"), (collectively the "Parties," or individually a "Party").

1.2 **Premises:** That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, and commonly known as 1210 Olive Street, Ramona, located in the County of San Diego, State of California, and generally described as (describe briefly the nature of the property and, if applicable, the "Project", if the property is located within a Project) an approximate 2,000 square foot free-standing building. ("Premises"). (See also Paragraph 2)

1.3 **Term:** 5 years and 0 months ("Original Term") commencing June 1, 2017 ("Commencement Date") and ending April 31, 2022 ("Expiration Date"). (See also Paragraph 3)

1.4 **Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing Upon full execution of lease ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** $17,500.00 per month ("Base Rent"), payable on the First (1st) day of each month commencing May 1, 2017. (See also Paragraph 4)

☑ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph _____

1.6 **Base Rent and Other Monies Paid Upon Execution:**

(a) **Base Rent:** $17,500.00 for the period June 1. 2017 through May 31, 2018, see Paragraph 51 on Addendum attached hereto for Base Rent for Months 13-60 of Term.

(b) **Security Deposit:** $17,500.00 ("Security Deposit"). (See also Paragraph 5)

(c) **Association Fees:** $N/A for the period _____

(d) **Other:** $1,625.00 per month (estimated) for estimated operating expenses (property taxes, property insurance and common area maintenance) for the period of June 1, 2017 through May 31, 2018, see Paragraph 52 on Addendum attached hereto for estimated Operating Expenses for Months 13-60 of Term.

(e) **Total Due Upon Execution of this Lease:** $35,000.00

1.7 **Agreed Use:** General office and the sale of Cannibas and related products. (See also Paragraph 6)

1.8 **Insuring Party:** Lessor is the "Insuring Party" unless otherwise stated herein. (See also Paragraph 8)

1.9 **Real Estate Brokers:** (See also Paragraph 15 and 25)

(a) **Representation:** The following real estate brokers (the "Brokers") and brokerage relationships exist in this transaction (check applicable boxes):

☐ N/A represents Lessor exclusively ("Lessor's Broker");
☐ N/A represents Lessee exclusively ("Lessee's Broker"); or
☐ _____ represents both Lessor and Lessee ("Dual Agency").

(b) **Payment to Brokers:** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of _____ or _____% of the total Base Rent) for the brokerage services rendered by the Brokers.

1.10 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by Prime Harvest, LLC ("Guarantor"). (See also Paragraph 37)

1.11 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

☑ an Addendum consisting of Paragraphs 51 through 58;
☐ a plot plan depicting the Premises;
☐ a current set of the Rules and Regulations;
☐ a Work Letter;
☐ a energy disclosure addendum is attached;
☑ other (specify): Guaranty of Lease

2. Premises.

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **Note: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver the Premises to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs (**"Start Date"**), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems (**"HVAC"**), loading doors, sump pumps, if any, and all other such elements in the Premises, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of any buildings on the Premises (the **"Building"**) shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with said warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Building. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances (**"Applicable Requirements"**) that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 50), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning, are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building (**"Capital Expenditure"**), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and an amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not, however, have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Lessee as Prior Owner/Occupant.** The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately

prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

3. **Term.**

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession.** Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 **Lessee Compliance.** Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. **Rent.**

4.1. **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent (**"Rent"**).

4.2 **Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of $25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent, Insurance and Real Property Taxes, and any remaining amount to any other outstanding charges or costs.

4.3 **Association Fees.** In addition to the Base Rent, Lessee shall pay to Lessor each month an amount equal to any owner's association or condominium fees levied or assessed against the Premises. Said monies shall be paid at the same time and in the same manner as the Base Rent.

5. **Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

6. **Use.**

6.1 **Use.** Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any

written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the Premises or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Premises. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 **Hazardous Substances.**

(a) **Reportable Uses Require Consent.** The term **"Hazardous Substance"** as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. **"Reportable Use"** shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from adjacent properties not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. **No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.**

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or $100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or $100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation

as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor"s written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises. In addition, Lessee shall provide copies of all relevant material safety data sheets (**MSDS**) to Lessor within 10 days of the receipt of a written request therefor. In addition, Lessee shall provide Lessor with copies of its business license, certificate of occupancy and/or any similar document within 10 days of the receipt of a written request therefor.

6.4 **Inspection; Compliance.** Lessor and Lessor"s **"Lender"** (as defined in Paragraph 30) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see paragraph 9.1) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (**MSDS**) to Lessor within 10 days of the receipt of a written request therefor.

7. **Maintenance; Repairs, Utility Installations; Trade Fixtures and Alterations.**

7.1 **Lessee's Obligations.**

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, walls (interior and exterior), foundations, ceilings, roofs, roof drainage systems, floors, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, or adjacent to the Premises. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. Lessee shall, during the term of this Lease, keep the exterior appearance of the Building in a first-class condition (including, e.g. graffiti removal) consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, the exterior repainting of the Building.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler, and pressure vessels, (iii) fire extinguishing systems, including fire alarm and/or smoke detection, (iv) landscaping and irrigation systems, (v) roof covering and drains, and (vi) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (ie. 1/144th of the cost per month). Lessee shall pay Interest on the unamortized balance but may prepay its obligation at any time.

7.2 **Lessor's Obligations.** Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 9 (Damage or Destruction) and 14 (Condemnation), it is intended by the Parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Lessee. It is the intention of the Parties that the terms of this Lease govern the respective obligations of the Parties as to maintenance and repair of the Premises, and they expressly waive the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 **Utility Installations; Trade Fixtures; Alterations.**

(a) **Definitions.** The term **"Utility Installations"** refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term **"Trade Fixtures"** shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term **"Alterations"** shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. **"Lessee Owned Alterations and/or Utility Installations"** are defined as Alterations and/or Utility Installations made by Lessee

that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 **Ownership; Removal; Surrender; and Restoration.**

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if this Lease is for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8 **Insurance; Indemnity.**

8.1 **Payment For Insurance.** Lessee shall pay for all insurance required under Paragraph 8 except to the extent of the cost attributable to liability insurance carried by Lessor under Paragraph 8.2(b) in excess of $2,000,000 per occurrence. Premiums for policy periods commencing prior to or extending beyond the Lease term shall be prorated to correspond to the Lease term. Payment shall be made by Lessee to Lessor within 10 days following receipt of an invoice.

8.2 **Liability Insurance.**

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $1,000,000 per occurrence with an annual aggregate of not less than $2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "**insured contract**" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 **Property Insurance - Building, Improvements and Rental Value.**

(a) **Building and Improvements.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed $5,000 per occurrence, and Lessee shall be liable for such deductible amount in the event of an Insured Loss.

(b) **Rental Value.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period. Lessee shall be liable for any deductible amount in the event of such loss.

(c) **Adjacent Premises.** If the Premises are part of a larger building, or of a group of buildings owned by Lessor which are adjacent to the Premises, the Lessee shall pay for any increase in the premiums for the property insurance of such building or buildings if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

8.4 **Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.**

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed $1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the building of which the Premises are a part, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 **Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely

difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. **Damage or Destruction.**

9.1 **Definitions.**

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance , in, on, or under the Premises which requires remediation.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is $10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds (except as to the deductible which is Lessee's responsibility) as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term.** If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies.**

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for

which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. **Real Property Taxes.**

10.1 **Definition.** As used herein, the term **"Real Property Taxes"** shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Premises or the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Building address. Real Property Taxes shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Premises, and (ii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 **Payment of Taxes.** In addition to Base Rent, Lessee shall pay to Lessor an amount equal to the Real Property Tax installment due at least 20 days prior to the applicable delinquency date. If any such installment shall cover any period of time prior to or after the expiration or termination of this Lease, Lessee's share of such installment shall be prorated. In the event Lessee incurs a late charge on any Rent payment, Lessor may estimate the current Real Property Taxes, and require that such taxes be paid in advance to Lessor by Lessee monthly in advance with the payment of the Base Rent. Such monthly payments shall be an amount equal to the amount of the estimated installment of taxes divided by the number of months remaining before the month in which said installment becomes delinquent. When the actual amount of the applicable tax bill is known, the amount of such equal monthly advance payments shall be adjusted as required to provide the funds needed to pay the applicable taxes. If the amount collected by Lessor is insufficient to pay such Real Property Taxes when due, Lessee shall pay Lessor, upon demand, such additional sum as is necessary. Advance payments may be intermingled with other moneys of Lessor and shall not bear interest. In the event of a Breach by Lessee in the performance of its obligations under this Lease, then any such advance payments may be treated by Lessor as an additional Security Deposit.

10.3 **Joint Assessment.** If the Premises are not separately assessed, Lessee's liability shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be conclusively determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

10.4 **Personal Property Taxes.** Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon Lessee Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. **Utilities and Services.** Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered or billed to Lessee, Lessee shall pay a reasonable proportion, to be determined by Lessor, of all charges jointly metered or billed. There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

12. **Assignment and Subletting.**

12.1 **Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, **"assign or assignment"**) or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. **"Net Worth of Lessee"** shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 **Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of $500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 **Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. **Default; Breach; Remedies.**

13.1 **Default; Breach.** A **"Default"** is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A **"Breach"** is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested

subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 42, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 40 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a **"debtor"** as defined in 11 U.S.C. §101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 **Inducement Recapture.** Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as **"Inducement Provisions,"** shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 **Late Charges.** Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or $100, whichever is greater. The Parties hereby agree that such late charge represents a fair

and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 **Interest.** Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest (**"Interest"**) charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 **Breach by Lessor.**

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. **Condemnation.** If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively **"Condemnation"**), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the Building, or more than 25% of that portion of the Premises not occupied by any building, is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. **Brokerage Fees.**

15.1 **Additional Commission.** In addition to the payments owed pursuant to Paragraph 1.9 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires any rights to the Premises or other premises owned by Lessor and located within the same Project, if any, within which the Premises is located, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed.

15.2 **Assumption of Obligations.** Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.9, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 **Representations and Indemnities of Broker Relationships.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. **Estoppel Certificates.**

(a) Each Party (as **"Responding Party"**) shall within 10 days after written notice from the other Party (the **"Requesting Party"**) execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current **"Estoppel Certificate"** form published by the AIR Commercial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base

Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. **Definition of Lessor.** The term **"Lessor"** as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. **Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Days.** Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

20. **Limitation on Liability.** The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. **Time of Essence.** Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. **No Prior or Other Agreements; Broker Disclaimer.** This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. **Notices.**

23.1 **Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. **Waivers.**

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. **Disclosures Regarding The Nature of a Real Estate Agency Relationship.**

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not

the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. b. Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or wilful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Holdover Base Rent shall be calculated on monthly basis. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law.** This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. **Subordination; Attornment; Non-Disturbance.**

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, **"Security Device"**), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as **"Lender"**) shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a **"Non-Disturbance Agreement"**) from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. **Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to

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decision or judgment. The term, **"Prevailing Party"** shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach ($200 is a reasonable minimum per occurrence for such services and consultation).

32. **Lessor's Access; Showing Premises; Repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect to Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. **Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. **Signs.** Lessor may place on the Premises ordinary **"For Sale"** signs at any time and ordinary **"For Lease"** signs during the last 6 months of the term hereof. Except for ordinary "for sublease" signs, Lessee shall not place any sign upon the Premises without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. **Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. **Consents.** Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. **Guarantor.**

37.1 **Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by the AIR Commercial Real Estate Association, and each such Guarantor shall have the same obligations as Lessee under this Lease.

37.2 **Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. **Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options.** If Lessee is granted any Option, as defined below, then the following provisions shall apply:

39.1 **Definition. "Option"** shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Multiple Buildings.** If the Premises are a part of a group of buildings controlled by Lessor, Lessee agrees that it will abide by and conform to all reasonable rules and regulations which Lessor may make from time to time for the management, safety, and care of said properties, including the care and cleanliness of the grounds and including the parking, loading and unloading of vehicles, and to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessee also agrees to pay its fair share of common expenses incurred in connection with

such rules and regulations.

41. **Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

42. **Reservations.** Lessor reserves to itself the right, from time to time, to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate any such easement rights, dedication, map or restrictions.

43. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" with 6 months shall be deemed to have waived its right to protest such payment.

44. **Authority; Multiple Parties; Execution.**

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

45. **Conflict.** Any conflict between the printed provisions of this Lease and typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

46. **Offer.** Preparation of this Lease by either Party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

47. **Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

48. **Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.**

49. **Arbitration of Disputes.** An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☑ **is** ☐ **is not** attached to this Lease.

50. **Accessibility; Americans with Disabilities Act.**

(a) The Premises: ☐ have not undergone an inspection by a Certified Access Specialist (CASp). ☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. ☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

(b) Since compliance with the Americans with Disabilities Act (ADA) is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES IS LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: _____
On: 6/13/17

By **LESSOR:**
High Sierra Equity, LLC

By: _____
Name Printed: Stephen Lake
Title: _____
By: _____
Name Printed: _____
Title: _____
Address: _____

Telephone:(___) _____
Facsimile:(___) _____
Email: _____
Email: _____
Federal ID No. _____

BROKER:

Attn: _____
Title: _____
Address: _____

Telephone:(___) _____
Facsimile:(___) _____
Email: _____
Federal ID No. _____
Broker/Agent BRE License #: _____

Executed at: _____
On: 6/13/17

By **LESSEE:**
Ancmar Management, LLC

By: _____
Name Printed: Duane Alexander
Title: _____
By: _____
Name Printed: _____
Title: _____
Address: _____

Telephone:(___) _____
Facsimile:(___) _____
Email: _____
Email: _____
Federal ID No. _____

BROKER:

Attn: _____
Title: _____
Address: _____

Telephone:(___) _____
Facsimile:(___) _____
Email: _____
Federal ID No. _____
Broker/Agent BRE License #: _____

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

ADDENDUM TO LEASE BY AND BETWEEN HIGH SIERRA EQUITY, LLC (LESSOR), AND ANOMAR MANAGEMENT, LLC (LESSEE), FOR THE PREMISES LOCATED AT 1210 OLIVE STREET, RAMONA, CA 92065.

51. **BASE RENT SCHEDULE:** The Base Rent for the subject premises is as follows:

Months:

1-6	$15,000.00 PER MONTH
~~7~~-12	$ 20,000.00 per month
13-24	$20,000.00 per month
25-36	$22,000.00 per month
37-48	$23,500.00 per month
49-60	$25,000.00 per month

52. **OPERATING EXPENSES:** In addition to Base Rent, Lessee shall pay estimated operating expenses (property taxes, property insurance and common area maintenance), including but not limited to those expenses included in Paragraph 10 of the Lease, on a monthly basis as follows:

Year	Monthly Rent	Estimated NNN	Monthly Total
1	$17,500.00	$1,625.00	$19,125.00
2	$20,000.00	$1,673.75	$21,673.75
3	$22,000.00	$1,723.96	$23,723.96
4	$23,500.00	$1,775.68	$25,275.68
5	$25,000.00	$1,828.95	$26,828.95
6+	5% increase annually		

53. **RIGHT OF FIRST REFUSAL TO PURCHASE:** Provided that Lessee is not in default of the Lease Agreement, Lessee shall have a one-time Right of First Refusal to purchase the Premises. The purchase price shall be a minimum of $2,000,000 or higher, all cash. Lessor shall give Lessee written notice of its intention to sell the Premises, including the terms thereof. Lessee shall have forty-five (45) days from receipt of written notice to exercise this option, after which time the option will terminate.

54. **PROFT SHARING:** In the event the Premises sells for a purchase price that is 25% or more above fair market value, then Lessor agrees to give Lessee 25% of all proceeds from said sale that are 25% or more above fair market value after deducting all escrow costs.

56. **OPTION TO PURCHASE:** Lessee shall have a continuous right to purchase the Premises within the first (1st) thirty-six (36) months of the initial Lease Term, at which time it will expire unless extended by Lessor, in writing. The purchase price shall be $2,000,000 or fair market value, whichever is higher. Lessee shall exercise said option to purchase by sending written notice to Lessor prior to expiration of the option to purchase. Closing of said purchase shall take place within sixty (60) days of transmission of the written notice to Lessor to exercise the option. A condition of closing shall be that Lessee must show Lessor proof that it has a minimum of $5,000,000 in funds to build out the back of the Premises, and it has plans approved by the County of San Diego and all necessary building permits for the same.

57. **OPTION TO EXTEND**: Provided Lessee is not in default under the Lease, Lessee shall have four (4) separate five (5) year options to extend the Lease, commencing upon the expiration of the initial term hereof. Exercise of such option shall be by written notice to Lessor at least sixty 60) days prior to the expiration of the current term. Base Rent for each option shall be a continuation of the last month's rent, plus an additional three percent (3%) per year. The estimated Operating Expenses for each option shall be a continuation of the last month's estimated operating expenses, plus an additional five percent (5%) per year. All other terms of the Lease shall remain in full force and effect, unless agreed to in writing by Lessor.

ADDENDUM TO LEASE BY AND BETWEEN HIGH SIERRA EQUITY, LLC (LESSOR), AND ANOMAR MANAGEMENT, LLC (LESSEE), FOR THE PREMISES LOCATED AT 1210 OLIVE STREET, RAMONA, CA 92065.

LESSORS: **HIGH SIERRA EQUITY, LLC**

By:_____ Date: 6/13/17

Stephen Lake

LESSEE: **ANOMAR MANAGEMENT, LLC**

By:_____ Date: 6/13/17

Duane Alexander

P:\ENORTHBROOK\AIR FORMS\1210 Olive\Prime Harvest Addendum 3.29.17.docx

ARBITRATION AGREEMENT

Standard Lease Addendum

Dated March 27, 2017

By and Between (Lessor) High Sierra Equity, LLC

(Lessee) Anomar Management, LLC

Address of Premises: 1210 Olive Street Ramona, CA

Paragraph 58

A. **ARBITRATION OF DISPUTES:**
Except as provided in Paragraph B below, the Parties agree to resolve any and all claims, disputes or disagreements arising under this Lease, including, but not limited to any matter relating to Lessor's failure to approve an assignment, sublease or other transfer of Lessee's interest in the Lease under Paragraph 12 of this Lease, any other defaults by Lessor, or any defaults by Lessee by and through arbitration as provided below and irrevocably waive any and all rights to the contrary. The Parties agree to at all times conduct themselves in strict, full, complete and timely accordance with the terms hereof and that any attempt to circumvent the terms of this Arbitration Agreement shall be absolutely null and void and of no force or effect whatsoever.

B. **DISPUTES EXCLUDED FROM ARBITRATION:**
The following claims, disputes or disagreements under this Lease are expressly excluded from the arbitration procedures set forth herein: 1. Disputes for which a different resolution determination is specifically set forth in this Lease, 2. All claims by either party which (a) seek anything other than enforcement or determination of rights under this Lease, or (b) are primarily founded upon matters of fraud, willful misconduct, bad faith or any other allegations of tortious action, and seek the award of punitive or exemplary damages, 3. Claims relating to (a) Lessor's exercise of any unlawful detainer rights pursuant to applicable law or (b) rights or remedies used by Lessor to gain possession of the Premises or terminate Lessee's right of possession to the Premises, all of which disputes shall be resolved by suit filed in the applicable court of jurisdiction, the decision of which court shall be subject to appeal pursuant to applicable law 4. Any claim or dispute that is within the jurisdiction of the Small Claims Court and 5. All claims arising under Paragraph 39 of this Lease.

C. **APPOINTMENT OF AN ARBITRATOR:**
All disputes subject to this Arbitration Agreement, shall be determined by binding arbitration before: ☐ a retired judge of the applicable court of jurisdiction (e.g., the Superior Court of the State of California) affiliated with Judicial Arbitration & Mediation Services, Inc. ("JAMS"), ☐ the American Arbitration Association ("AAA") under its commercial arbitration rules, ☐ _____
_____
or as may be otherwise mutually agreed by Lessor and Lessee (the "Arbitrator"). In the event that the parties elect to use an arbitrator other than one affiliated with JAMS or AAA then such arbitrator shall be obligated to comply with the Code of Ethics for Arbitrators in Commercial Disputes (see: http://www.adr.org/aaa/ShowProperty?nodeId=/UCM/ADRSTG_003867). Such arbitration shall be initiated by the Parties, or either of them, within ten (10) days after either party sends written notice (the "Arbitration Notice") of a demand to arbitrate by registered or certified mail to the other party and to the Arbitrator. The Arbitration Notice shall contain a description of the subject matter of the arbitration, the dispute with respect thereto, the amount involved, if any, and the remedy or determination sought. If the Parties have agreed to use JAMS they may agree on a retired judge from the JAMS panel. If they are unable to agree within ten days, JAMS will provide a list of three available judges and each party may strike one. The remaining judge (or if there are two, the one selected by JAMS) will serve as the Arbitrator. If the Parties have elected to utilize AAA or some other organization, the Arbitrator shall be selected in accordance with said organization's rules. In the event the Arbitrator is not selected as provided for above for any reason, the party initiating arbitration shall apply to the appropriate Court for the appointment of a qualified retired judge to act as the Arbitrator.

D. **ARBITRATION PROCEDURE:**
1. **PRE-HEARING ACTIONS.** The Arbitrator shall schedule a pre-hearing conference to resolve procedural matters, arrange for the exchange of information, obtain stipulations, and narrow the issues. The Parties will submit proposed discovery schedules to the Arbitrator at the pre-hearing conference. The scope and duration of discovery will be within the sole discretion of the Arbitrator. The Arbitrator shall have the discretion to order a pre-hearing exchange of information by the Parties, including, without limitation, production of requested documents, exchange of summaries of testimony of proposed witnesses, and examination by deposition of parties and third-party witnesses. This discretion shall be exercised in favor of discovery reasonable under the circumstances. The Arbitrator shall issue subpoenas and subpoenas duces tecum as provided for in the applicable statutory or case law (e.g., in California Code of Civil Procedure Section 1282.6).

2. **THE DECISION.** The arbitration shall be conducted in the city or county within which the Premises are located at a reasonably convenient site. Any Party may be represented by counsel or other authorized representative. In rendering a decision(s), the Arbitrator shall determine the rights and obligations of the Parties according to the substantive laws and the terms and provisions of this Lease. The Arbitrator's decision shall be based on the evidence introduced at the hearing, including all logical and reasonable inferences therefrom. The Arbitrator may make any determination and/or grant any remedy or relief that is just and equitable. The decision must be based on, and accompanied by, a written statement of decision explaining the factual and legal basis for the decision as to each of the principal controverted issues. The decision shall be conclusive and binding, and it may thereafter be confirmed as a judgment by the court of applicable jurisdiction, subject only to challenge on the grounds set forth in the applicable statutory or case law (e.g., in California Code of Civil Procedure Section 1286.2). The validity and enforceability of the Arbitrator's decision is to be determined exclusively by the court of appropriate jurisdiction pursuant to the provisions of this Lease. The Arbitrator may award costs, including without limitation, Arbitrator's fees and costs, attorneys' fees, and expert and witness costs, to the prevailing party, if any, as determined by the Arbitrator in his discretion.

Whenever a matter which has been submitted to arbitration involves a dispute as to whether or not a particular act or omission (other than a failure to pay money) constitutes a Default, the time to commence or cease such action shall be tolled from the date that the Notice of Arbitration is served through and until the date the Arbitrator renders his or her decision. Provided, however, that this provision shall NOT apply in the event that the Arbitrator determines that the Arbitration Notice was prepared in bad faith.

INITIALS

INITIALS

Whenever a dispute arises between the Parties concerning whether or not the failure to make a payment of money constitutes a default, the service of an Arbitration Notice shall NOT toll the time period in which to pay the money. The Party allegedly obligated to pay the money may, however, elect to pay the money "under protest" by accompanying said payment with a written statement setting forth the reasons for such protest. If thereafter, the Arbitrator determines that the Party who received said money was not entitled to such payment, said money shall be promptly returned to the Party who paid such money under protest together with interest thereon as defined in Paragraph 13.5. If a Party makes a payment "under protest" but no Notice of Arbitration is filed within thirty days, then such protest shall be deemed waived. (See also Paragraph 42 or 43)

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

AIR COMMERCIAL REAL ESTATE ASSOCIATION
GUARANTY OF LEASE

WHEREAS, High Sierra Equity, LLC, hereinafter "Lessor", and Anomar Management, LLC, hereinafter "Lessee", are about to execute a document entitled "Lease" dated March 27, 2017 concerning the premises commonly known as 1210 Olive Street, Ramona, CA wherein Lessor will lease the premises to Lessee, and

WHEREAS, Prime Harvest, LLC hereinafter "Guarantors" have a financial interest in Lessee, and

WHEREAS, Lessor would not execute the Lease if Guarantors did not execute and deliver to Lessor this Guaranty of Lease.

NOW THEREFORE, in consideration of the execution of said Lease by Lessor and as a material inducement to Lessor to execute said Lease, Guarantors hereby jointly, severally, unconditionally and irrevocably guarantee the prompt payment by Lessee of all rents and all other sums payable by Lessee under said Lease and the faithful and prompt performance by Lessee of each and every one of the terms, conditions and covenants of said Lease to be kept and performed by Lessee.

It is specifically agreed by Lessor and Guarantors that: (i) the terms of the foregoing Lease may be modified by agreement between Lessor and Lessee, or by a course of conduct, and (ii) said Lease may be assigned by Lessor or any assignee of Lessor without consent or notice to Guarantors and that this Guaranty shall guarantee the performance of said Lease as so modified.

This Guaranty shall not be released, modified or affected by the failure or delay on the part of Lessor to enforce any of the rights or remedies of the Lessor under said Lease.

No notice of default by Lessee under the Lease need be given by Lessor to Guarantors, it being specifically agreed that the guarantee of the undersigned is a continuing guarantee under which Lessor may proceed immediately against Lessee and/or against Guarantors following any breach or default by Lessee or for the enforcement of any rights which Lessor may have as against Lessee under the terms of the Lease or at law or in equity.

Lessor shall have the right to proceed against Guarantors following any breach or default by Lessee under the Lease without first proceeding against Lessee and without previous notice to or demand upon either Lessee or Guarantors.

Guarantors hereby waive (a) notice of acceptance of this Guaranty, (b) demand of payment, presentation and protest, (c) all right to assert or plead any statute of limitations relating to this Guaranty or the Lease, (d) any right to require the Lessor to proceed against the Lessee or any other Guarantor or any other person or entity liable to Lessor, (e) any right to require Lessor to apply to any default any security deposit or other security it may hold under the Lease, (f) any right to require Lessor to proceed under any other remedy Lessor may have before proceeding against Guarantors, (g) any right of subrogation that Guarantors may have against Lessee.

Guarantors do hereby subordinate all existing or future indebtedness of Lessee to Guarantors to the obligations owed to Lessor under the Lease and this Guaranty.

If a Guarantor is married, such Guarantor expressly agrees that recourse may be had against his or her separate property for all of the obligations hereunder.

The obligations of Lessee under the Lease to execute and deliver estoppel statements and financial statements, as therein provided, shall be deemed to also require the Guarantors to do and provide the same to Lessor. The failure of the Guarantors to provide the same to Lessor shall constitute a default under the Lease.

The term "Lessor" refers to and means the Lessor named in the Lease and also Lessor's successors and assigns. So long as Lessor's interest in the Lease, the leased premises or the rents, issues and profits therefrom, are subject to any mortgage or deed of trust or assignment for security, no acquisition by Guarantors of the Lessor's interest shall affect the continuing obligation of Guarantors under this Guaranty which shall nevertheless continue in full force and effect for the benefit of the mortgagee, beneficiary, trustee or assignee under such mortgage, deed of trust or assignment and their successors and assigns.

The term "Lessee" refers to and means the Lessee named in the Lease and also Lessee's successors and assigns.

Any recovery by Lessor from any other guarantor or insurer shall first be credited to the portion of Lessee's indebtedness to Lessor which exceeds the maximum liability of Guarantors under this Guaranty.

No provision of this Guaranty or right of the Lessor can be waived, nor can the Guarantors be released from their obligations except in writing signed by the Lessor.

Any litigation concerning this Guaranty shall be initiated in a state court of competent jurisdiction in the county in which the leased premises are located and the Guarantors consent to the jurisdiction of such court. This Guaranty shall be governed by the laws of the State in which the leased premises are located and for the purposes of any rules regarding conflicts of law the parties shall be treated as if they were all residents or domiciles of such State.

In the event any action be brought by said Lessor against Guarantors hereunder to enforce the obligation of Guarantors hereunder, the unsuccessful party in such action shall pay to the prevailing party therein a reasonable attorney's fee. The attorney's fee award shall not be computed in accordance with any court fee schedule, but shall be such as to full reimburse all attorney's fees reasonably incurred.

If any Guarantor is a corporation, partnership, or limited liability company, each individual executing this Guaranty on said entity's behalf represents and warrants that he or she is duly authorized to execute this Guaranty on behalf of such entity.

If this Form has been filled in, it has been prepared for submission to your attorney for his approval. No representation or recommendation is made by the AIR Commercial Real Estate Association, the real estate broker or its agents or employees as to the legal sufficiency, legal effect, or tax consequences of this Form or the transaction relating thereto.

Executed at: _____

On: _____

Address: _____

_____

_____

_____

"GUARANTORS"

AMENDMENT TO LEASE

AIR COMMERICAL REAL ESTATE ASSOCIATION

STANDARD INDUSTRIAL/COMMERCIAL SINGLE -TENANT LEASE-NET

Section 1. Basic Provisions ("Basic Provisions") Section is changed to read:

1.1 **Parties:** This Lease **("Lease")**, dated for reference purposes only March 27, 2017 is made by and between **HIGH SIERRA EQUITY, LLC ("Lessor")** and **ANOMAR MANAGEMENT, LLC d.b.a OLIVE TREE PATIENTS ASSOCIATION and OLIVE TREE WELLNESS CENTER ("Lessee")** collectively the **"Parties,"** or individually a **"Party".**

1.2 Premises: ANOMAR MANAGEMENT, OLIVE TREE PATIENTS ASSOCIATION and OLIVE TREE WELLNESS CENTER may legally occupy certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, and commonly known as **1210 Olive Street, Ramona** located in the **County of San Diego, State of California** and generally described as an approximate 2,000 square foot building.

1.3 Use of Facility: ANOMAR MANAGEMENT, OLIVE TREE PATIENTS ASSOCIATION and OLIVE TREE WELLNESS CENTER are granted permission to occupy and operate as a **Medical Marijuana Dispensary.**

HEREBY AGREED TO BY BOTH PARTIES on August 17, 2020 with their signature below:

HIGH SIERRA EQUITY, LLC

By Stephen Lake, Owner

ANOMAR MANAGEMENT, LLC d.b.a OLIVE TREE PATIENTS ASSOCIATION and OLIVE TREE WELLNESS CENTER

Exhibit 4.3

April 13, 2022

Gateway SMP LLC.

RE: Binding letter of intent to lease retail property located at Gateway Medical Center, 995 Gateway Center Way, Suites 107 & 108, San Diego, CA 92102

The purpose of this binding letter of intent (this **"LOI")** is to set forth the initial terms on which Prime Harvest, Inc., or its nominee **("Tenant")** agrees to lease from Landlord (as defined below), and Landlord agrees to Lease to Tenant, the Premises (as defined below).

LANDLORD:	Gateway SMP, LLC Attn: Law Office of Ali Ehsan 4225 Executive Sq Suite 600 La Jolla, CA 92037
TENANT:	Prime Harvest, Inc.
PREMISES:	Retail premises consisting of approximately 2,955 rentable square feet of commercial retail space designated as Suites 107 & 108 (the **"Premises")** located within the Project (as defined below).

PAYMENTS:	Tenant shall pay on the following schedule: $28,000 on or before May 1st $28,000 on the 1st of every month thereafter during Due Diligence $29,400 on the 1st of every month thereafter during Lease Commencement $30,870 on the 1st of every month during the 2nd year of the Lease Term $32,413 on the 1st of every month during the 3rd year of the Lease Term $34,034 on the 1st of every month during the 4th year of the Lease Term $35,735 on the 1st of every month during the 5th year of the Lease Term Any exercised renewal will also be with the same 5% annual increases e.g. $37,522 on the 1st of every month during the 6 year of the Lease Term
PERMITTED USE:	The operation of a cannabis dispensary, whether medical, adult use or otherwise, as may be permitted under State of California law from time to time, together with such other uses as may be necessary or related thereto.

LEASE:	Upon execution of this LOI, Landlord and Tenant shall use commercially reasonable, good faith efforts to negotiate and enter into a lease agreement substantially similar to Landlord's standard form lease, containing the terms and conditions set forth in this LOI and other customary and reasonable terms and conditions for the rental of space similar to the Premises (the**"Lease").**
LEASE TERM; RENEWAL OPTIONS:	The **"Lease Term"** will be the period of time commencing on the Rent Commencement Date (as defined below) and expiring on the 5th anniversary of the Rent Commencement Date. Tenant will be entitled to two five (5) year renewal options to extend the Lease Term, each of which may be exercised by Tenant in its sole discretion at a date not less than 90 days before lease end.

UTILITIES:	Tenant shall be responsible for all utilities supplied to and consumed upon the Premises during the Lease Term.
ASSIGNMENT & SUBLETTING:	Tenant shall have the right, without the consent of Landlord, to assign the Lease in its entirety, or to sublet all or any portion of the Premises, to: (a) any entity resulting from a merger or a consolidation with Tenant; or (b) any subsidiary or affiliate of Tenant. Any other assignment or sublease will require the prior written consent of Landlord, which is not to be unreasonably withheld, conditioned or delayed.
TENANT IMPROVEMENTS:	Tenant will be entitled to make alterations, additions, or improvements to the Premises. Prior to commencing any initial tenant improvements, Tenant will deliver detailed plans and specifications for improvements to Landlord for Landlord's review and approval, which approval is not to be unreasonably withheld, conditioned or delayed. If not approved or rejected by Landlord within 15 days, the plans, specification and improvements will be deemed approved.
LIMITATION OF REMEDIES:	Landlord acknowledges and agrees that it shall in no event be entitled to any remedy that would make Landlord an affiliate or partner in any way with Tenant, triggering any landlord's lien under the Lease, whether statutory or otherwise, or any other lien rights or similar interest
SECURITY:	Tenant shall be responsible for two additional hours a day of manned security beyond the requirements of the City and State. Additionally the main points of ingress and egress to and out of the building will be monitored 24/7 by live remote monitoring at Tenant's sole expense.

TERMS OF AGREEMENT:	This LOI shall be binding between Landlord and Tenant. The Lease shall contain a contingency allowing Tenant to terminate the Lease at any time (without penalty or further monies owed) in the event all Approvals for the operation of the Premises for the permitted use are not obtained. The terms of this LOI shall govern until the Lease is executed.

EXCLUSIVITY:	Landlord will not offer the Premises for lease to anyone or other third- party tenant during the Feasibility Period referenced in this LOI. Aside from the Feasibility Period Payments, Tenant shall not be obligated to make any payments, and Tenant shall have no liability for same to the Landlord, during the time following execution of the Lease, unless and until the Rent Commencement Date occurs.
TERMINATION OF LOI:	This LOI may be terminated by Tenant at any time upon written notice to Landlord given during the Feasibility Period.
CONFIDENTIALITY:	Landlord and Tenant agree that this LOI and the information contained herein shall be treated and held as private and confidential and shall not be disclosed to third parties without the prior written consent of the other party. Notwithstanding the foregoing, the terms of this LOI may be disclosed in confidence to local and state government officials, prospective lenders, current or prospective business partners or joint venture partners, legal counsel and other consultants to and contractors for Landlord or Tenant for purposes incidental to this agreement or to the conduct of business by Landlord or Tenant.

SIGNATURE PAGE TO FOLLOW

ACCEPTED AND AGREED:

LANDLORD:

Gateway SMP, LLC

By: /s/ Ali Ehsan
Name: Ali Ehsan
Its: Chief Legal Officer

TENANT:

Prime Harvest, Inc.

By: /s/ Eulenthius Duane Alexander
Name: Eulenthius Duane Alexander
Its: Chief Executive Officer

Exhibit 11.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation of our audit report on the financial statements of Prime Harvest, Inc. for the periods ended December 31, 2019 and December 31, 2020, dated April 23, 2021, included in Prime Harvest, Inc.'s Registration Statement on Form 1-A Regulation A Offering Statement Under the Securities Act of 1933 dated May 10, 2022.

Los Angeles, California
May 10, 2022

APPENDIX 10B

Exhibit 12.1

CARTER LEDYARD & MILBURN LLP
Counselors at Law

2 Wall Street
New York, NY 10005-2072
●
Tel (212) 732-3200
Fax (212) 732-3232

May 10, 2022

Prime Harvest, Inc.
1210 Olive St.
Ramona, California 92064

Re: Public Offering of Shares of Prime Harvest, Inc.

Ladies and Gentlemen:

We are acting as counsel to Prime Harvest, Inc., a Delaware corporation (the "**Company**"), with respect to the preparation and filing of an offering statement on Form 1-A (the "**Offering Statement**"). The Offering Statement covers the contemplated issuance of up to 10,000,000 shares ("**Shares**") of the Company's common stock, par value $0.0001 per share, with an aggregate amount of $42,000,000 in a "Tier 2 Offering" under Regulation A pursuant to the Securities Act of 1933, as amended (the "**Act**").

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of this letter. With your consent, we have relied upon certificates and other assurances of officers of the Company and others as to factual matters without having independently verified such factual matters. We are opining herein as to the internal laws of the State of New York and the General Corporation Law of the State of Delaware (the DGCL), and we express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or as to any matters of municipal law or the laws of any local agencies within any state.

In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such copies.

Subject to the foregoing and the other matters set forth herein, it is our opinion that, as of the date hereof, the Shares being sold pursuant to the Offering Statement have been authorized by all necessary actions of the Company and, when issued in the manner described in the Offering Statement, will be validly issued, fully paid and non-assessable. No opinion is being rendered hereby with respect to the truth and accuracy, or completeness of the Offering Statement or any portion thereof.

This opinion is for your benefit in connection with the Offering Statement and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of the Act.

We further consent to the use of this opinion as an exhibit to the Offering Statement. In giving such consent, we do not admit that any member of this firm is an "expert" within the meaning of the Act or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ Carter Ledyard & Milburn LLP