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

FORM 1-U

Current Report Pursuant to Regulation A

Date of Report: May 4, 2020
(Date of earliest event reported)

HIGHTIMES HOLDING CORP.

(Exact name of issuer as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

81-4706993

(I.R.S. Employer
Identification No.)

**2110 Narcissus Ct.
Venice, California 90291**

(Full mailing address of principal executive offices)

(844) 933-3287

(Issuer's telephone number, including area code)

Title of each class of securities issued pursuant to Regulation A: Class A voting Common Stock, par value \$0.0001 per share

This Current Report on Form 1-U is issued in accordance with Rule 257(b)(4) of Regulation A, and is neither an offer to sell any securities, nor a solicitation of an offer to buy, nor shall there be any sale of any such securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

ITEM 9. OTHER EVENTS

Eleventh Amendment to ExWorks Loan and Security Agreement

On May 22, 2020, the Company and its subsidiaries entered into an Eleventh Amendment to the Loan and Security Agreement (the "Eleventh Amendment to the Loan Agreement") with ExWorks Capital Fund I, L.P., a Delaware limited partnership ("ExWorks"). Under the terms of the Eleventh Amendment to the Loan Agreement, ExWorks has agreed to enter into an amendment to the ExWorks note (the "Fifth Amended Note") pursuant to which the principal amount owed under the note would be reduced from \$18,800,000.00 to \$18,574,429.72 and the maturity date of the note and related obligations under the loan agreement, as amended, was extended to December 31, 2020.

The foregoing summary of the terms and conditions of the Eleventh Amendment to the Loan Agreement and the Fifth Amended Note are qualified in their entirety by the definitive Eleventh Amendment and the Fifth Amended Note, which are attached hereto as Exhibit 6.1 and Exhibit 6.2, respectively, and are incorporated herein by reference.

Resignation of Stormy Simon

As previously reported in our Current Report on Form 1-U filed on May 6, 2020 (the "May 6 Current Report"), on May 4, 2020, the Company's then Chief Executive, Stormy Simon, resigned from her position as Chief Executive Officer. At the same time, she also resigned from the Company's board of directors. The Company inadvertently reported in the May 6 Current Report that Ms. Simon would be remaining on the board of directors. That announcement was made in error. Ms. Simon's resignation from the board and as CEO were both effective as of May 4, 2020.

SIGNATURES

Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Hightimes Holding Corp.
a Delaware corporation

by: /s/ Adam E. Levin
Name: Adam E. Levin
Its: Executive Chairman of the Board
Date: May 22, 2020

Exhibits to Form 1-U

Index to Exhibits

<u>Exhibit No.</u>	<u>Description</u>
6.1	<u>Form of Eleventh Amendment to the Loan and Security Agreement, dated May 22, 2020, between Hightimes Holding Corp., its subsidiaries, and ExWorks Capital Fund I, L.P.</u>
6.2	<u>Form of Fifth Amended and Restated Senior Secured Convertible Note, dated May 22, 2020, issued by Hightimes Holding Corp. and its subsidiaries to ExWorks Capital Fund I, L.P.</u>

**FORM OF Eleventh Amendment to
Loan and Security Agreement**

ExWorks Capital Fund I, L.P., a Delaware limited partnership (“Lender”) and Hightimes Holding Corp., a Delaware corporation (“Parent”), Trans-High Corporation, a New York corporation, High Times Productions, Inc., a New York corporation, Cannabis Business Digital, LLC, a New York limited liability company, High Times, Inc., a New York corporation, New Morning Productions, Inc., a New York corporation, Hemp Times, Inc., a New York corporation, Planet Hemp, Inc., a New York corporation, The Hemp Company of America, Inc., a New York corporation, High Times Cannex Corp., a New York corporation, High Times Press, Inc., a New York corporation, Culture Pub, Inc., a Delaware corporation and Wilshire & Veteran Media Corp., a Delaware corporation (together with Parent, the “Borrowers” or individually, a “Borrower”), enter into this Eleventh Amendment to Loan and Security Agreement (this “Amendment”) on May 22, 2020.

Background

A. Borrowers and Lender are parties to a Loan and Security Agreement dated as of February 27, 2017 (as may be further amended, restated, supplemented or otherwise modified from time to time, the “Loan Agreement”). Unless defined in this Amendment, capitalized terms have the meanings set forth in the Loan Agreement and references to “Sections” are to sections of the Loan Agreement.

B. On April 24, 2020, Parent and a newly-formed subsidiary, HHI Acquisition Corp. (“HHI”), entered into a Purchase Agreement to acquire certain equity and assets from Harvest Health & Recreation, Inc. and others (the “Purchase Agreement”). The transaction contemplated by the Purchase Agreement (the “Harvest Transaction”) requires Lender’s consent for among other reasons, the following negative covenants in the Loan Agreement: Section 7.1 (liens on Borrowers’ assets), Section 7.2 (no additional indebtedness), Section 7.3 (forming any subsidiaries), Section 7.6 (investments and acquiring interests in other entities), and Section 7.10 (changes in the line of business from that engaged in on the date of the Loan Agreement).

D. Parent is currently in discussions to purchase the assets of Mountain High Recreation, Inc. (the “Mountain High Transaction”).

E. Borrowers have requested certain amendments to the Loan Agreement, including Lender’s consent to the Harvest Transaction.

E. Borrowers executed the following (together, the “Prior Drafts”): (i) an Eleventh Amendment to Loan and Security Agreement dated March 6, 2020 (the “First Draft”) that by its terms did not become effective because Borrowers failed to satisfy all conditions precedent to the effectiveness of that amendment, and (ii) an Eleventh Amendment to Loan and Security Agreement dated March 18, 2020 as of March 6, 2020 that was delivered in escrow subject to conditions that were not satisfied. This Amendment replaces the Prior Drafts.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

Terms and Conditions

1. Acknowledgements. Borrowers acknowledge:

(a) As of the date of this Amendment, the principal balance of the Loans is \$18,574,439.72, exclusive the fees detailed below and Expenses provided for in the Loan Documents that have not been capitalized to the Loans as of the date of this Amendment.

(b) Borrowers owe the following fees (the "Unpaid Fees") to Lender upon the earliest to occur of the following - (i) expiration of the Term, (ii) the occurrence of an Event of Default and acceleration of the Obligations by Lender according to the terms of this Agreement, and (iii) payment of all Obligations in full:

- (i) Success Fees totaling \$2,860,000;
- (ii) an Amendment Fee of \$100,000 owing under the Eighth Amendment to Loan and Security agreement; and
- (iii) a fee of \$1,400,000 that represents 10% of the outstanding balance of the Obligations owing as of February 28, 2019.

(c) The Unpaid Fees are fully earned, are part of the Obligations and are secured by the Collateral.

(d) The Obligations have matured and are due and owing without setoff, defense or counterclaim, in law or in equity, of any kind or character. As a result, Lender has the right to demand payment in full and exercise its rights and remedies under the Loan Documents against Borrowers and the Collateral. If Lender took these actions it would be acting reasonably, appropriately, and within its rights under the Loan Documents and applicable law.

(d) Each of the Loan Documents (other than the Prior Drafts) to which Borrowers are a party have been duly executed and delivered to Lender by Borrowers, and each is in full force and effect on the date of this Agreement.

(f) Borrowers' agreements and obligations in this Amendment and the other Loan Documents to which they are a party constitute legal, valid and binding obligations of Borrowers, enforceable against them according to their terms.

(g) The Obligations are secured by valid, properly perfected security interests in all Collateral, with priority over all other liens and security interests other than Permitted Liens.

(h) Lender has performed its obligations under the Loan Documents and applicable law and has no obligation to continue financing Borrowers or to extend the maturity of the Obligations.

(i) This Amendment is being entered into in exchange for good and valuable consideration.

(j) Under the terms of the Loan Agreement, Borrower is required to obtain Lender's consent to the Harvest Transaction and any other transactions involving the acquisition of assets or equity of third parties (together with the Harvest Transaction, "Acquisitions") and Lender is not required to give its consent to any Acquisitions.

(k) While Lender is consenting to the Harvest Transaction on the terms provided below, Lender is not consenting to any other Acquisitions (including the Mountain High Transaction) and Lender is not committing to give its consent in the future.

2. Maturity. The definition of Maturity Date in Section 2 is amended to read as follows:

"Maturity Date" means the earlier of (i) December 31, 2020 and (ii) the occurrence of an Event of Default and acceleration of the Obligations by Lender.

4. Amended Note. Simultaneous with execution of this Amendment, the Fourth Amended and Restated Senior Secured Convertible Promissory Note dated December 12, 2019 in the principal amount of \$18,800,000 (the "Fourth Amended Note") will be amended and restated and Borrowers will execute and deliver to Lender a Fifth Amended and Restated Senior Secured Convertible Promissory Note in the principal amount of \$18,574,439.72 and dated on or about the date of this Amendment (the "Fifth Amended Note"). References in the Loan Agreement and the other Loan Documents to the Fourth Amended Note, any notes that preceded that note or the "Note" will be treated as references to the Fifth Amended Note.

5. Principal and Interest Payments.

(a) Borrowers recently made certain payments to Lender on account of past due interest. Those payments will be applied first to past due interest and the excess will be applied to reimburse Lender for Expenses.

(b) Commencing June 1, 2020 and continuing on the first Business Day of each month thereafter, Borrowers must make an interest payment equal to the amount of interest accruing during the prior calendar month.

(c) All principal, interest and other Obligations will be due and payable on the Maturity Date.

6. Additional Warrant. In connection with the First Prior Version, Parent executed and delivered to Lender a third warrant (the "Third Warrant"). Even though the Prior Versions were not effective, the Third Warrant is in full force and effect. The Third Warrant is in addition to the Second Warrant and the Original Warrant (the "Prior Warrants"). References in the Loan Agreement and the other Loan Documents to the Warrant will be deemed to be references to the Prior Warrants and the Third Warrant, except when the context implicitly means otherwise (e.g., references to "Warrant" within the Original Warrant or references to the "Warrant" within the Third Warrant will not refer to both the Third Warrant and the Prior Warrant).

7. Extension Fee. In consideration of this Amendment and extension of the Maturity Date, Borrowers will pay Lender an extension fee (the "Extension Fee") by way of Parent issuing Lender 994,717 shares (10,941,887 shares after the pending 11:1 stock split) of its fully paid-up Class A Common Stock (the "Extension Shares"). The Extension Shares must be issued to Lender no later than May 31, 2020. Failure to timely provide evidence reasonably acceptable to Lender that the shares have been issued and are being maintained in book form by Parent's transfer agent or the Depository Trust Company will be an Event of Default. The Extension Fee is fully earned and non-refundable on the date of this Amendment and is in addition to all other fees payable under the Loan Documents. The occurrence of an Event of Default or acceleration of the Obligations prior to the issuance of the Extension Shares will not excuse or discharge Parent's obligation to issue the Extension Shares. Parent represents that the Extension Shares equal three percent (3%) of Parent's fully diluted Class A Common Stock as of the date of this Amendment.

8. Covenants. Borrowers must satisfy the following covenants:

(a) Borrower will not make any payments in connection with any Acquisitions consented to by Lender (including the additional \$4,000,000 cash payment due in connection with the Harvest Transaction), unless (i) no Event of Default exists, and (ii) if the payments are to be made prior to July 1, 2020, Borrowers prepay all interest that would otherwise be due and payable on June 1, 2020 and July 1, 2020.

(b) Subject to paragraph 10 below related to the Harvest Transaction, Parent will not consummate, or enter into any binding agreements regarding, Acquisitions without Lender's prior written consent.

(c) As of July 1, 2020 and October 1, 2020, Parent's and its direct and indirect Subsidiaries' (including all Borrowers) *pro forma* 12-month consolidated EBITDA must be at least \$5 million as determined by updated, good faith projections reasonably acceptable to Lender.

(d) Continue to use good faith efforts to refinance the Obligations as soon as possible with the assistance of an investment banker reasonably acceptable to Lender.

(e) Provide Lender weekly updates on the progress Borrowers' refinancing efforts.

9. Amendment to Loan Agreement. Section 9.1 and Section 9.4 of Article 9 of the Loan Agreement (*Defaults*) are hereby deleted and are replaced by the following:

*"9.1 **Default in Payment of Obligations**. Borrowers fail to make a payment of any principal or interest when due on any Obligations, including the Expenses, and shall fail to fully cure such default within ten (10) days of the due date thereof.*

*9.4 **Default on Funded Debt**. Borrowers fail to pay all or any part of the principal of or interest on any Funded Debt with an outstanding unpaid balance in excess of \$50,000 as and when due and payable, whether at maturity, by acceleration or otherwise, and which results in the acceleration of such indebtedness, and shall fail to fully cure such default within ten (10) days of the due date thereof, as long as the other creditor does not commence enforcement action in the interim.*

10. Board Observation Rights. From and after July 1, 2020 and thereafter until all Obligations are paid in full, Lender will have the right (but not obligation) to designate one individual, which need not be the same individual (the “Representative”) for all meetings, to (1) attend and participate in all meetings of Parent’s Board of Directors (the “Board”) in a non-voting, observer capacity only, and (2) receive copies of all notices, minutes, consents and other materials (whether in written, electronic or other form) that Parent provides to its directors at the same time and in the same manner as provided to the directors, including all notices of Board meetings. If the Representative notifies one of Parent’s officers that it will participate in meetings telephonically, the Board must accommodate that request. The representative will only be allowed to observe Board meetings and receive the information and documents called for by this paragraph if they sign the Observation Rights Confidentiality Agreement attached as Exhibit A.

11. Consent to Harvest Transaction. Lender will promptly provide its written consent to the Harvest Transaction if the following conditions are satisfied as of the date the Harvest Transaction is closed:

(a) Borrowers comply with all terms of this Amendment and no Event of Default exists under the Loan Agreement;

(b) There are no material changes to the terms of the Harvest Transaction as memorialized in the Purchase Agreement in the form on file with the S.E.C. as of April 30, 2020, and if Parent and HHI desire to amend the terms of their agreements with the Harvest Transaction sellers, the amendments must be acceptable to Lender in its discretion and approved in writing by Lender before being executed by Parent and HHI.

(c) Parent delivers to Lender a subordination agreement in form and substance reasonably acceptable to Lender that provides: (i) Borrowers will not be permitted to make, and the holder of the Purchase Note (as defined in the Purchase Agreement) will not be entitled to receive, any payments on account of the Purchase Note unless all Obligations are paid in full; and (ii) until all Obligations are paid in full, the holder of the Purchase Note may not take any action against Parent or the other Borrowers other than to foreclose or otherwise enforce its security interest in the equity of HHI that is pledged to secure the obligations under the Purchase Note; and

(d) HHI guaranties the Obligations (according to the terms of a limited guaranty in form and substance acceptable to Lender), with HHI’s liability limited to the aggregate amount of cash paid by Parent or HHI on account of the Harvest Transaction.

12. Conditions Precedent. This Amendment will be of no force or effect unless Borrowers execute this Amendment and the Fifth Amended Note and Parent delivers fully executed Board resolutions authorizing Borrowers to enter into this Amendment.

13. Release. In consideration of this Amendment, Borrowers, for themselves and on behalf of the other Borrower Parties, hereby waive, discharge, and forever release the Lender Parties from any Claims that the Borrower Parties or any of them have or may have against any of the Lender Parties. For purposes of this Amendment:

“Borrower Parties” means Borrowers, their respective officers, directors, employees, agents, attorneys, affiliates, subsidiaries, direct or indirect shareholders, successors and assigns and any third parties who now or in the future have the right to assert any Claims through or on behalf of any Borrower.

“Claims” means rights, claims, liabilities, causes of action, allegations or assertions, whether known or unknown, based on facts in existence as of the date of this Amendment, whether based in tort, contract or otherwise, including those based on or arising from any Lender Party’s actions or omissions in connection with this Amendment, the other Loan Documents, or any amendments, extensions or modifications thereto.

“Lender Parties” means Lender, its partners, members, officers, directors, employees, agents, attorneys, affiliates, subsidiaries, successors and assigns, and any third parties who now or in the future are liable for the acts or omissions of any of the foregoing persons or entities, as surety, indemnitor, co-obligor, insurer or otherwise.

14. Other Terms.

(a) Borrowers represent and warrant that (i) they are complying and will continue to comply with all applicable laws in connection with Parent’s efforts to raise equity, (ii) they have retained and will continue to retain securities law counsel to assist them in connection with all matters relevant to their compliance with applicable securities and other laws related to efforts to raise equity, and (iii) Lender has not provided and will not provide any advice, opinions or suggestions as to what Borrowers are or may be obligated to do to meet legal obligations in raising equity.

(b) Except as amended hereby, all terms and conditions of the Loan Documents are in full force and effect.

(c) Except as amended hereby, each Borrower reaffirms and ratifies its obligations under the Loan Agreement and remakes, as of the date of this Amendment, all representations and warranties in the Loan Agreement. Each Borrower also represents and warrants that (i) no Event of Default has occurred and is continuing, (ii) Borrower is unaware of any facts or circumstances which, with the passage of time or the giving of notice, would be an Event of Default, (iii) the Disclosure Schedule is true and accurate as of the date of this Amendment, and (iv) the Schedules attached to the Intellectual Property Security Agreement executed by Borrowers and Lender as of February 27, 2017 are true and accurate as of the date of this Amendment.

(d) Failure to strictly comply with the terms of this Amendment will be an Event of Default entitling Lender to exercise its rights and remedies under the Loan Documents, including the rights under paragraph 6(b) of the Pledge Agreement between Lender and Trans-High Corporation (“Trans-High”) dated as of February 27, 2017 (“Pledge Agreement”). Borrowers acknowledge that if Lender exercises and rights and remedies under the Pledge Agreement (i) they will be bound by the terms of the Pledge Agreement and (ii) if any Borrower acts in a way inconsistent with Lender’s rights under the Pledge Agreement, to avoid irreparable harm to Lender, Lender will be entitled to immediate injunctive relief without further notice or demand, which notice and demand they expressly waive.

(e) This document contains the entire agreement of the parties in connection with the subject matter of this Amendment and cannot be changed or terminated orally.

(f) The individuals signing on behalf of each of the parties represents that all necessary member, shareholder, partnership, board of directors, board of managers or other action, as applicable, to authorize them to enter into this Amendment has been taken, including, any approvals or resolutions necessary to authorize execution of this Amendment.

(g) This Amendment may be executed in counterparts, each of which when so executed and delivered will be deemed an original, and all counterparts together will constitute but one and the same agreement. Further, .pdf and other electronic copies of signatures will be treated as original signatures for all purposes.

(h) If there is an express conflict between the terms of this Amendment and the terms of the Loan Agreement or other Loan Documents, the terms of this Amendment will govern and control.

(i) This Amendment will be deemed to be part of, and governed by the terms of, the Loan Agreement. A default under this Amendment will be an Event of Default.

[End of Eleventh Amendment to Loan and Security Agreement – Signature pages follow]

The undersigned have caused this Amendment to be executed and delivered as of the date first written above.

LENDER:

EXWORKS CAPITAL FUND I, L.P.,

a Delaware limited partnership

By: _____
Randy T. Abrahams
Executive Chairman

BORROWERS:

HIGHTIMES HOLDING CORP.,

a Delaware corporation

By: _____
Adam Levin,
Executive Chairman

TRANS-HIGH CORPORATION,

a New York corporation

By: _____
Adam Levin,
Executive Chairman

HIGH TIMES PRODUCTIONS, INC.,

a New York corporation

By: _____
Adam Levin,
Executive Chairman

CANNABIS BUSINESS DIGITAL, LLC,

a New York limited liability company

By: _____
Adam Levin,
Executive Chairman

[Signature page to Eleventh Amendment to Loan and Security Agreement]

HIGH TIMES, INC.,
a New York corporation

By: _____
Adam Levin,
Executive Chairman

NEW MORNING PRODUCTIONS, INC.,
a New York corporation

By: _____
Adam Levin,
Executive Chairman

HEMP TIMES, INC.,
a New York corporation

By: _____
Adam Levin,
Executive Chairman

PLANET HEMP, INC.,
a New York corporation

By: _____
Adam Levin,
Executive Chairman

THE HEMP COMPANY OF AMERICA, INC.,
a New York corporation

By: _____
Adam Levin,
Executive Chairman

HIGH TIMES CANNEX CORP.,
a New York corporation

By: _____
Adam Levin,
Executive Chairman

[Signature page to Eleventh Amendment to Loan and Security Agreement]

HIGH TIMES PRESS, INC.,
a New York corporation

By: _____
Adam Levin,
Executive Chairman

CULTURE PUB, INC.,
a Delaware corporation

By: _____
Adam Levin,
Executive Chairman

WILSHIRE & VETERAN MEDIA CORP.,
a Delaware corporation

By: _____
Adam Levin,
Executive Chairman

[Signature page to Eleventh Amendment to Loan and Security Agreement]

Exhibit A

Observation Rights Confidentiality Agreement

Reference is made to the Eleventh Amendment to Loan and Security Agreement between ExWorks Capital Fund I, L.P. ("Lender"), Hightimes Holding Corp. ("Parent") and certain of Parent's subsidiaries dated May [●], 2020 (the "Amendment"). Capital terms not defined in this Observation Rights Confidentiality Agreement have the meanings used or given in the Amendment.

In connection with exercising the Board of Directors observation right (the "Board Observation Right") granted to Lender under the Amendment, Lender and the undersigned representative of Lender ("Representative") agree:

(a) to hold in confidence all information and materials that either of them receive, or are given access to, as a consequence of the exercise of the Board Observation Right, including any trade secrets or information that is not publicly known about Parent and its subsidiaries (collectively, "Confidential Information"); and

(b) not to disclose any Confidential Information to any third party. However, Lender and Representative may disclose Confidential Information to Lender's employees, directors, officers, attorneys, advisors, accountants and auditors, but only to the extent any of those persons have a need to know the Confidential Information in connection with either the Lender's financing of Borrowers or the exercise of the Board Observation Right. Lender and Representative agree to instruct the permitted recipients of the limited use, and restrictions on disclosure, of Confidential Information.

Confidential Information will not include any information that:

- (i) has become generally known or available to the public, through no act or failure to act on the part of Lender or Representative;
 - (ii) has been acquired by Lender or Representative before receiving the information from Borrowers and without restriction as to use or disclosure by the Borrowers;
 - (iii) has been furnished to Lender by a third party without restriction as to its use or disclosure;
 - (iv) has been independently developed by the Lender, its agents or the Representative, as evidenced by a written or electronic record;
 - (v) Parent has authorized in writing the disclosure by Lender or Representative; or
-

(vi) is required to be disclosed by either the Lender or the Representative pursuant to law or by order of a court of competent jurisdiction, but Lender must use reasonable efforts to avoid and limit the disclosure and promptly notify Parent of the Confidential Information to be disclosed and of the circumstances in which the disclosure is alleged to be required prior to disclosure so that Parent may seek a protective order or other similar remedy. If Parent is unable to obtain a protective order or other similar remedy, Lender agrees to furnish only that portion of the Confidential Information it is legally required to so furnish.

Parent may withhold from the Lender and the Representative any information, documents or materials, and exclude the Representative from a specific portion of a meeting only if the Representative's (x) access to such information, documents or materials, or (y) attendance at such portion of a Board meeting, would:

- (a) compromise in any material respect the attorney-client privilege that exists between the Board and its counsel; or
- (b) violate Parent's or Borrowers' non-disclosure or confidentiality obligations to third parties.

Lender:

EXWORKS CAPITAL FUND I, L.P.,
a Delaware limited partnership

By: _____
Randy T. Abrahams
Executive Chairman

Representative:

Print Name: _____

Dated: [●], 2020

NEITHER THIS NOTE NOR THE SECURITIES INTO WHICH THIS NOTE IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON CONVERSION OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Original Issue Date: May 22, 2020

\$18,574,439.72

Chicago, Illinois

FIFTH AMENDED AND RESTATED SENIOR SECURED CONVERTIBLE NOTE

FOR VALUE RECEIVED, **Hightimes Holding Corp.**, a Delaware corporation ("Parent"), **Trans-High Corporation**, a New York corporation, **High Times Productions, Inc.**, a New York corporation, **Cannabis Business Digital, LLC**, a New York limited liability company, **High Times, Inc.**, a New York corporation, **New Morning Productions, Inc.**, a New York corporation, **Hemp Times, Inc.**, a New York corporation, **Planet Hemp, Inc.**, a New York corporation, **The Hemp Borrowers of America, Inc.**, a New York corporation, **High Times Cannex Corp.**, a New York corporation, and **High Times Press, Inc.**, a New York corporation **Culture Pub, Inc.**, a Delaware corporation and **Wilshire & Veteran Media Corp.**, a Delaware corporation (together with Parent, the "Borrowers" or individually, a "Borrower"), each with a principal place of business at 10990 Wilshire Boulevard, Penthouse, Los Angeles, California 90036, hereby jointly and severally unconditionally promise to pay to the order of **ExWorks Capital Fund I, L.P.**, a Delaware limited partnership, with its principal place of business located at 333 West Wacker Drive, Suite 1620, Chicago, Illinois 60606 ("Lender"), or at any other place that Lender may designate in writing, Eighteen Million Five Hundred Seventy-Four Thousand Four Hundred Thirty-Nine and 72/100 Dollars (\$18,574,439.72), in immediately available funds, together with Expenses, fees and interest on the unpaid principal amount at the rates, on the dates, and in the manner set forth in the Agreement (defined below). The Lender and any other subsequent holder or holders of this Note is hereinafter sometimes referred to individually as a "Holder" and collectively, as the "Holders".

Borrowers and Lender are parties to a Loan and Security Agreement dated as of February 27, 2017 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "Agreement"). This Note is issued in connection with the Agreement and the Eleventh Amendment to Loan and Security Agreement dated on or about the date of this Note (the "Eleventh Amendment"). Reference is made to the Agreement and the Eleventh Amendment for certain terms and conditions governing this Note, including, payments required, the Maturity Date of this Note and the terms and conditions under which this Note may be accelerated. This Note is secured by the Collateral and is otherwise subject to the terms of the Agreement. Capitalized terms used but not otherwise defined in this Note have the meanings attributed to them in the Agreement. Notwithstanding

This Note amends, restates and replaces, but does not extinguish the indebtedness under the Fourth Amended and Restated Senior Secured Convertible Note dated on or about December 12, 2019, in the original principal amount of \$18,800,000 executed by Borrowers in favor of Lender.

To the fullest extent permitted by applicable law, each Borrower hereby waives presentment for payment, demand, notice of non-payment, notice of protest and protest of this Note, diligence in collection or bringing suit. Each Borrower's obligations under this Note are cross-collateralized and cross-defaulted with all other Obligations owing to Lender by Borrowers.

Lender will, and is hereby authorized to, record in accordance with its usual practice, the date and amount of each Loan and the date and amount of each principal payment hereunder in its books and records, which will constitute *prima facie* evidence of the outstanding balance of each Loan absent manifest error.

This Note is subject to the following additional provisions:

Section 1. Definitions. For the purposes hereof, in addition to the terms defined elsewhere in this Note, (a) capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement and (b) the following terms shall have the following meanings:

“Approved Public Listing” shall mean the listing of the Common Stock of the Parent or any other Issuer on any Approved Securities Market.

“Approved Securities Market” shall mean any one of The NASDAQ Stock Market LLC, including the NASDAQ Capital Market, the New York Stock Exchange, the Toronto Stock Exchange (including the Toronto Venture Exchange), the Canadian Securities Exchange, or the OTC Markets Group Inc. electronic inter-dealer quotation system, including OTCQX, OTCQB, OTCBB and OTC Pink Sheets.

“Base Conversion Shares” shall have the mean set forth in Section 5(c).

“Beneficial Ownership Limitation” shall have the meaning set forth in Section 4(c).

“Business Day” means any day except any Saturday, any Sunday, any day which shall be a federal legal holiday in the United States or any day on which banking institutions in the State of Illinois and New York are authorized or required by law or other governmental action to close.

“Buy-In” shall have the meaning set forth in Section 4(d)(iv).

“Change of Control Transaction” means the occurrence after the date hereof of any of (a) an acquisition after the date hereof by an individual or legal entity or “group” (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Parent or other Issuer, by contract or otherwise) of in excess of 50% of the voting securities of the Parent or other Issuer (other than by means of Conversion of the Note), (b) the Parent or other Issuer merges into or consolidates with any other Person, or any Person merges into or consolidates with the Parent or other Issuer and, after giving effect to such transaction, the stockholders of the Parent or other Issuer immediately prior to such transaction own less than 50% of the aggregate voting power of the Borrowers or the successor entity of such transaction, or (c) the Parent or other Issuer sells or transfers all or substantially all of its assets to another Person and the stockholders of the Parent or other Issuer immediately prior to such transaction own less than 50% of the aggregate voting power of the acquiring entity immediately after the transaction.

“Common Stock” shall mean the collective reference to (a) the shares of Class A voting Common Stock of the Parent, or (b) the voting common stock of any other Issuer whose shares of common stock are listed for trading on any Approved Securities Market.

“Common Stock Equivalent” shall mean any notes, debentures or preferred stock that are convertible into shares of Common Stock of an Issuer, and/or any stock options, warrants or other rights entitling the holder to purchase shares of Common Stock of the Issuer.

“Conversion” shall have the meaning ascribed to such term in Section 4.

“Conversion Date” shall have the meaning set forth in Section 4(a).

“Conversion Option” shall mean Holder’s option to convert some or all of the Obligations into Common Stock as provided in Section 4.

“Conversion Price” shall have the meaning set forth in Section 4(b).

“Conversion Schedule” means the Conversion Schedule in the form of Schedule 1 attached hereto.

“Conversion Shares” means that number of shares of Common Stock of the applicable Issuer as shall be determined by dividing (a) the amount of the outstanding Obligations that Holder elects to convert into Common Stock, by (b) the Per Share Price. The applicable number of Conversion Shares shall be subject to adjustment as contemplated by Section 5 below.

“Fully-Diluted Common Stock” shall mean, as at the date of the first Liquidity Event, the sum of the (a) the outstanding shares of Common Stock of the Issuer, and (b) all Common Stock Equivalents; **provided, that** the term “Fully Diluted Common Stock” shall not mean or include (i) any shares of Common Stock or Common Stock Equivalents issued in connection with a Public Offering, (ii) any Common Stock issuable under stock options approved under the Parent’s incentive stock option plan, or (iii) any Common Stock or Common Stock Equivalents issued in connection with any acquisition by any Borrower of the assets, securities or business of any other Person that is approved by the Lender.

“Issuer” shall mean the collective reference to (a) the Parent, or (b) any other corporation resulting from a merger (including a Reverse Merger) with or Sale of Control of the Parent, that is the issuer of the securities in connection with an Approved Public Listing of its Common Stock on an Approved Securities Market.

“Liquidity Event” shall mean the **first** to occur of:

(a) the consummation of an initial Public Offering of the Parent Common Stock pursuant to an effective S-1 registration statement or a Regulation A+ Offering Circular filed under the Securities Act declared effective or qualified by the SEC, and the listing of the Parent Common Stock for trading on an Approved Securities Exchange (a “Public Offering”); or

(b) consummation of a Change of Control Transaction, or

(c) consummation of a Reverse Merger.

“Notice of Conversion” shall have the meaning set forth in Section 4(a).

“Parent Common Stock” shall mean the shares of Class A Common Stock, \$0.0001 par value per share, of the Parent.

“Per Share Price” shall mean the applicable percentage of the per share price of securities issued in connection with a Liquidity Event, to represent the lower of: (i) 100% of the initial per share offering price per share sold to the public in connection with a Public Offering; (ii) 90% of the consideration paid per share for Fully-Diluted Common Stock by any third Person to the Parent in connection with a Sale of Control, and (iii) Five Dollars and Fifty/100 Dollars (\$5.50).

“Pre-Money Valuation” shall mean means the product of multiplying (a) the Fully-Diluted Common Stock of the Issuer at the time of the Liquidity Event, by (b) the Per Share Price; **provided, however**, for all purposes of this Note and any Conversions into Common Stock of the applicable Issuer, such Pre-Money Valuation shall not exceed \$225,000,000.

“Reverse Merger” shall mean a share exchange or merger of the Parent with any other corporation whose Common Stock is traded on an Approved Securities Market, as a result of which 80% or more of the capital stock of the Issuer shall be transferred to the holders of Capital Stock or common Stock Equivalents of the Parent.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Share Delivery Date” shall have the meaning set forth in Section 4(d)(ii).

“Subsidiary” shall mean any Person where a second Person either: (i) owns at least 51% of the issued and outstanding capital stock or membership interests of that Person, or (ii) has the ability to direct or cause the direction of the management and policies of that Person, whether by contract or otherwise.

“Trading Day” means a day on which the New York Stock Exchange is open for business.

Section 2. Registration of Transfers and Investment Representation.

(a) Different Denominations. This Note is exchangeable for an equal aggregate principal amount of notes (“Notes”) of different authorized denominations, as requested by the Holder surrendering the same. No service charge will be payable for such registration of transfer or exchange.

(b) Investment Representations. This Note may be transferred or exchanged only in compliance with the Agreement and applicable federal and state securities laws and regulations. The Holder understands that this Note and the Conversion Shares issuable upon Conversion of this Note have not been registered under the Securities Act by reason of a claimed exemption under the provisions of the Securities Act that depends, in part, upon the Holder’s investment intention and investment qualification. In this connection, the Lender hereby represents that it is purchasing the Note for the Lender’s own account for investment and not with a view toward the resale or distribution to others; provided, however, that nothing contained herein shall constitute an agreement by the Lender to hold the Note or the Conversion Shares for any particular length of time and the Parent acknowledges that the Lender shall at all times retain the right to dispose of its property as it may determine in its sole discretion, subject to any restrictions imposed by applicable law. The Lender consents to the placement of a legend on any certificate or other document evidencing the Note and the Conversion Shares to the effect that such securities have not been registered under the Securities Act or any state Securities or “blue sky” laws and setting forth or referring to the restrictions on transferability and sale thereof contained in this Agreement. The Lender is aware that the Parent will make a notation in its appropriate records with respect to the restrictions on the transferability of such Securities.

(c) Reliance on Note Register. Prior to due presentment for transfer to the Issuer of this Note, the applicable Issuer and any agent of the Issuer may treat the Person in whose name this Note is duly registered on the Note Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Note is overdue, and neither the Issuer, the Borrowers nor any such agent shall be affected by notice to the contrary.

Section 3. Reserved.

Section 4. Conversion.

a) Voluntary Conversion. At any time after consummation of a Liquidity Event and until all Obligations are paid in full, the Obligations shall be convertible, in whole or in part, into shares of Common Stock of any applicable Issuer at the option of the Holder, at any time and from time to time (subject to the conversion limitations set forth in Section 4(c) hereof); the foregoing right is sometimes referred to as the Conversion Option and the exercise of the right is sometimes referred to as a “Conversion” or “Conversions”, as applicable. The Holder shall effect Conversions by delivering to the Borrowers a Notice of Conversion, the form of which is attached hereto as Annex A (each, a “Notice of Conversion”), specifying therein the amount of the Obligations to be converted and the date on which such Conversion shall be effected (such date, the “Conversion Date”). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is actually delivered hereunder. To effect Conversions hereunder, the Holder shall not be required to physically surrender this Note to the Borrowers unless all Obligations have been so converted. Conversions hereunder shall have the effect of lowering the outstanding Obligations in an amount equal to the applicable Conversion. The Holder and the Issuer shall maintain records showing the amount(s) converted and the date of such Conversion(s).

b) Conversion Price. The Conversion price in effect on any Conversion Date shall be equal to the Per Share Price (the “Conversion Price”). Such Conversion Price shall be subject to adjustment provided in Section 5 herein.

c) Conversion Limitations. Holder shall not have the right to convert any portion of this Note, pursuant to Section 4 or otherwise, to the extent that after giving effect to such issuance after Conversion the Holder (together with the Holder’s Affiliates, and any other person or entity acting as a group together with the Holder or any of the Holder’s Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of this Section beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. Holder is solely responsible for any schedules required to be filed in accordance therewith. The Issuer shall have no obligation to verify or confirm the accuracy of such filings. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the Conversion or exercise of securities of the Issuer, including this Note, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The “Beneficial Ownership Limitation” shall be 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Note. The limitations contained in this paragraph shall apply to a successor holder of this Note.

d) Mechanics of Conversion.

i. Conversion Shares Issuable Upon Conversion of Obligations. The number of Conversion Shares issuable upon a Conversion hereunder shall be determined by the quotient obtained by dividing (x) the amount of outstanding Obligations to be converted by (y) the Conversion Price then in effect.

ii. Delivery of Certificate Upon Conversion. Not later than five (5) Trading Days after each Conversion Date (the "Share Delivery Date"), the Issuer shall deliver, or cause to be delivered, to the Holder a certificate or certificates representing the Conversion Shares which, (x) if registered for resale in any registration statement declared effective by the SEC (a "Resale Registration Statement"), or (y) on or after the six month anniversary of the Original Issue Date, shall be free of restrictive legends and trading restrictions (other than those which may then be required by the this Note) representing the number of Conversion Shares being acquired upon the Conversion of the applicable amount of the Obligations. On the first to occur of the effective date of a Resale Registration Statement, or the six month anniversary of the Original Issue Date, the Issuer shall use its best efforts to deliver any certificate or certificates required to be delivered by the Issuer under this Section 4(d) electronically through the Depository Trust Company or another established clearing corporation performing similar functions.

iii. Failure to Deliver Certificates. If in the case of any Notice of Conversion such certificate or certificates are not delivered to or as directed by the applicable Holder by the fourth Trading Day after the Conversion Date, in addition to any other remedies available to Holder hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Issuer's failure to timely deliver certificates, the Holder shall be entitled to elect by written notice to the Issuer at any time on or before its receipt of such certificate or certificates, to rescind such Conversion, in which event the Issuer shall promptly return to the Holder any original Note delivered to the Issuer.

iv. Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Conversion. In addition to any other rights available to the Holder, if the Issuer fails for any reason to deliver to the Holder such certificate or certificates by the Share Delivery Date pursuant to Section 4(d)(ii), and if after such Share Delivery Date the Holder is required by its brokerage firm to purchase (in an open market transaction or otherwise), or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Conversion Shares which the Holder was entitled to receive upon the Conversion relating to such Share Delivery Date (a "Buy-In"), then the Issuer shall (A) pay in cash to the Holder (in addition to any other remedies available to or elected by the Holder) the amount by which (x) the Holder's total purchase price (including any brokerage commissions) for the Common Stock so purchased exceeds (y) the product of (1) the aggregate number of shares of Common Stock that the Holder was entitled to receive from the Conversion at issue multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed (including any brokerage commissions) and (B) at the option of the Holder, either reissue (if surrendered) this Note in the amount of the Obligations equal to the amount of the attempted Conversion or deliver to the Holder the number of shares of Common Stock that would have been issued if the Issuer had timely complied with its delivery requirements under Section 4(d)(ii). For example, if the Holder purchases Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted Conversion of this Note with respect to which the actual sale price of the Conversion Shares (including any brokerage commissions) giving rise to such purchase obligation was a total of \$10,000 under clause (A) of the immediately preceding sentence, the Issuer shall be required to pay the Holder \$1,000. The Holder shall provide the Issuer written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Issuer, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Issuer's failure to timely deliver certificates representing shares of Common Stock upon Conversion of the applicable amount of the Obligations as required pursuant to the terms hereof.

v. Reservation of Shares Issuable Upon Conversion. The Issuer covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock for the sole purpose of issuance upon Conversion of this Note, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holders, not less than such aggregate number of shares of the Common Stock as shall be issuable upon the Conversion of all of the Obligations. The Issuer covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

vi. Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the Conversion of this Note. As to any fraction of a share which Holder would otherwise be entitled to purchase upon such Conversion, the Issuer shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price then in effect or the Automatic Conversion Price, as applicable or round up to the next whole share.

e) Prepayments.

i. Debt Refinancing. If Borrowers elect to prepay the Obligations by refinancing some or all of the Obligations through a loan from another lender (a “Refinancing”), Borrowers may prepay the Obligations prior to the Maturity Date without penalty by giving the Holder written notice of their intent to prepay (a “Refinancing Prepayment Notice”). The Refinancing Prepayment Notice must include (i) the amount of the Obligations to be prepaid (the “Proposed Refinancing Prepayment Amount”), (ii) the terms of the proposed Refinancing; which may include a letter of intent or term sheet from the prospective lender (the “Refinancing Transaction”), and (iii) the proposed prepayment date (the “Proposed Refinancing Prepayment Date”); provided, that the Proposed Refinancing Prepayment Date may not be less than fifteen (15) nor more than sixty (60) days after the Refinancing Prepayment Notice is delivered to the Holder. The actual amount prepaid from the Refinancing may not exceed the Proposed Refinancing Prepayment Amount and may not be paid after the Proposed Refinancing Prepayment Date without the Holder’s prior written consent. At any time during the period that five (5) business days prior to the Proposed Refinancing Prepayment Date, at its option, the Holder may (i) make its exercise of its Conversion Option contingent upon the Borrowers consummating the Refinancing Transaction on or before a date certain (the “Outside Date”) by so indicating in a Notice of Conversion, and/or (ii) may extend the Outside Date to a later date upon written notice to Borrowers. Also, upon written notice to Borrowers given at least seven days prior to the then-applicable Outside Date, the Holder may withdraw and cancel any Notice of Conversion. The setting of an Outside Date by the Holder will not affect Borrowers’ right to make the prepayment prior to the Outside Date.

ii. Sale of Common Stock. If Borrowers elect, or are required pursuant to the Eleventh Amendment, to prepay the Obligations in connection with any sales of Parent Common Stock (including sales by way of a Public Offering), Borrowers may prepay the Obligations prior to the Maturity Date without penalty out of the net proceeds received from the proceeds of the sale of Parent Common Stock; provided, that in connection with any prepayment in connection with sale of Parent Common Stock:

(A) the registration statement or offering circular or any amendment or supplement thereto or any Interim Report on Form 1-U or Form 8-K filed with the SEC (collectively, the “Public Offering Documents”) must disclose in the “Use of Proceeds” section or elsewhere, the Proposed Prepayment Amount and any conditions to payment of the Proposed Prepayment Amount, including as contemplated by the Eleventh Amendment;

(B) Borrowers must provide Holder with true copies of all Public Offering Documents filed with the SEC in connection with the Public Offering and, within three (3) business days of receipt, any comment letters from the SEC, and with respect to a Form 1-U or Form 8-K filing, not later than one business day prior to the date of such filing ;

(C) Except as contemplated by the Eleventh Amendment which requires mandatory prepayments out of a percentage of the net proceeds from such sales of Common Stock, Borrowers must give the Holder written notice of the prepayment (a “Sale Prepayment Notice”). The Sale Prepayment Notice must include (i) the anticipated amount of net proceeds to be received from the sale, (ii) the percentage of the net proceeds to be used to prepay the Obligations (the “Proposed Sale Prepayment Amount”), and (iii) the proposed prepayment date (the “Proposed Sale Prepayment Date”);

(D) subject to Borrowers' compliance with subparts (A), (B) and (C), if the Holder desires to exercise its Conversion Option, the Holder must deliver its Notice of Conversion to Parent within the later of the following (the "Permitted Exercise Period"): three (3) business days after Holder's receipt of the Sale Prepayment Notice for two (2) business days prior to the Proposed Sale Prepayment Date. Holder may make the exercise of its Conversion Option contingent upon Borrowers prepaying a minimum percentage or amount of net proceeds from the sale of Common Stock;

(E) if the Holder does not exercise its Conversion Option before the end of the Permitted Exercise Period and any Obligations remain after the permitted or required prepayment, the Holder may exercise its Conversion Option as to the remaining outstanding Principal Amount of this Note and any accrued Interest hereon, at any time or from time to time; and

(F) if Holder has timely given a Notice of Conversion in connection with a Public Offering, Holder may withdraw and cancel the Notice of Conversion by giving notice to Borrowers no later than five (5) business days prior to the Approval Date.

Section 5. Certain Adjustments.

a) Stock Dividends and Stock Splits. If the Issuer, at any time while this Note is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock or any Common Stock Equivalents (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Issuer upon Conversion of, or payment of interest on, the Notes), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines outstanding shares of Common Stock into a smaller number of shares or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Issuer, then the Conversion Price then in effect shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Issuer) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Change of Control Transaction. If, at any time while this Note is outstanding, whether or not a Liquidity Event by the Parent contemplated by clause (a) of the definition of Liquidity Event shall be consummated, the applicable Issuer effects any Change of Control Transaction, then, upon any subsequent Conversion of the Obligations, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such Conversion immediately prior to the occurrence of the Change of Control Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Change of Control Transaction if it had been, immediately prior to the consummation of the Change of Control Transaction, the holder of one share of Common Stock (the "Alternate Consideration"). For purposes of any such Conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Change of Control Transaction, and the Issuer shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in the Change of Control Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any Conversion of the Obligations following such Change of Control Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Issuer or surviving entity in such Change of Control Transaction shall issue to the Holder a new Note consistent with the foregoing provisions and evidencing the Holder's right to convert such Note into Alternate Consideration. The terms of any agreement pursuant to which the Change of Control Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 5(b) and insuring that this Note (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Change of Control Transaction.

c) Calculations. All calculations under this Section 5 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 5, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding any treasury shares of the Issuer) issued and outstanding.

d) Notice to the Holder.

i. Notice to Allow Conversion by Holder. If (A) the Issuer shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Issuer shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Issuer shall authorize the granting to all holders of the Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Issuer shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Issuer is a party, any sale or transfer of all or substantially all of the assets of the Issuer, of any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property or (E) the Issuer shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Issuer, then, in each case, the Issuer shall cause to be filed at each office or agency maintained for the purpose of Conversion of the Obligations, and shall cause to be delivered to the Holder at its last address as it shall appear upon the Note Register, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder is entitled to convert the Obligations during the 20-day period commencing on the date of such notice through the effective date of the event triggering such notice.

Section 6. Public Sales of Conversion Shares. The Issuer covenants to use its reasonable best efforts to facilitate the public resale by Holder(s) of any Conversion Shares either (a) pursuant to a Resale Registration Statement, or (b) pursuant to Rule 144 under the Securities Act.

Section 7. Miscellaneous.

a) Notices. Any and all notices or other communications or deliveries to be provided by the Holder hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by facsimile, by electronic communication or sent by a nationally recognized overnight courier service, addressed to the Borrowers, at the address set forth above, or such other facsimile number or address as the Borrowers may specify for such purpose by notice to the Holder delivered in accordance with this Section 7(a). Any and all notices or other communications or deliveries to be provided by the Borrowers hereunder shall be in writing and delivered personally, by facsimile, by electronic communication or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number or address of the Holder appearing on the books of the Borrowers, or if no such facsimile number or address appears, at the principal place of business of the Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile or electronic communication prior to 5:30 p.m. (New York City time), (ii) the date immediately following the date of transmission, if such notice or communication is delivered via facsimile or electronic communication between 5:30 p.m. (New York City time) and 11:59 p.m. (New York City time) on any date, (iii) the second Business Day following the date of mailing, if sent by nationally recognized overnight courier service or (iv) upon actual receipt by the party to whom such notice is required to be given.

b) Absolute Obligation. Except as expressly provided herein, no provision of this Note shall alter or impair the obligations of the Borrowers, which are absolute and unconditional, to pay the Obligations at the time, place, and rate, and in the coin or currency, herein prescribed. This Note is a direct debt obligation of the Borrowers.

c) Lost or Mutilated Note. If this Note shall be mutilated, lost, stolen or destroyed, the Borrowers shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Note, or in lieu of or in substitution for a lost, stolen or destroyed Note, a new Note for the principal amount of this Note so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such Note, and of the ownership hereof, reasonably satisfactory to the Borrowers.

d) Governing Law, Venue, Jury Trial Waiver. This Note will be governed by and construed under the laws of the State of Illinois as those laws apply to contracts entered into and wholly to be performed within that state. Borrowers irrevocably submit to the non-exclusive jurisdiction of the courts of the State of Illinois located in Cook County and the United States District Court for the Northern District of Illinois for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Note and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Note. Borrowers irrevocably consent to the non-exclusive jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in the referenced Illinois courts. Borrowers irrevocably waive any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waive any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. EACH BORROWER WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS NOTE AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.

e) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

f) Headings. The headings contained herein are for convenience only, do not constitute a part of this Note and shall not be deemed to limit or affect any of the provisions hereof.

g) Assumption. Any Issuer resulting from a Change of Control Transaction shall (i) assume, prior to such Change of Control Transaction, all of the obligations of the Parent under this Note pursuant to written agreement in form and substance satisfactory to the Lender (such approval not to be unreasonably withheld or delayed) and (ii) issue to the Lender or other Holder a new Note of such successor entity evidenced by a written instrument substantially similar in form and substance to this Note, including, without limitation, having a principal amount and interest rate equal to the principal amount and the interest rate of this Note and having similar ranking to this Note, which shall be satisfactory to the Lender (any such approval not to be unreasonably withheld or delayed). The provisions of this Section 7(g) shall apply similarly and equally to successive Change of Control Transactions and shall be applied without regard to any limitations of this Note.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Borrowers has caused this Note to be duly executed by a duly authorized officer as of the date first above indicated.

HIGHTIMES HOLDING CORP.,
a Delaware corporation

By: _____
Name: Adam Levin
Title: Executive Chairman

TRANS-HIGH CORPORATION,
a New York corporation

By: _____
Name: Adam Levin
Title: Executive Chairman

HIGH TIMES PRODUCTIONS, INC.,
a New York corporation

By: _____
Name: Adam Levin
Title: Executive Chairman

CANNABIS BUSINESS DIGITAL, LLC,
a New York limited liability company

By: _____
Name: Adam Levin
Title: Executive Chairman

HIGH TIMES, INC.,
a New York corporation

By: _____
Name: Adam Levin
Title: Executive Chairman

[Signatures are continued on the next page]

NEW MORNING PRODUCTIONS, INC.,
a New York corporation

By: _____
Name: Adam Levin
Title: Executive Chairman

HEMP TIMES, INC.,
a New York corporation

By: _____
Name: Adam Levin
Title: Executive Chairman

PLANET HEMP, INC.,
a New York corporation

By: _____
Name: Adam Levin
Title: Executive Chairman

THE HEMP COMPANY OF AMERICA, INC.,
a New York corporation

By: _____
Name: Adam Levin
Title: Executive Chairman

HIGH TIMES CANNEX CORP.,
a New York corporation

By: _____
Name: Adam Levin
Title: Executive Chairman

HIGH TIMES PRESS, INC.,
a New York corporation

By: _____
Name: Adam Levin
Title: Executive Chairman

CULTURE PUB, INC.,
a Delaware corporation

By: _____
Adam Levin,
Executive Chairman

WILSHIRE & VETERAN MEDIA CORP.,
a Delaware corporation

By: _____
Adam Levin,
Executive Chairman

ANNEX A

NOTICE OF CONVERSION

The undersigned hereby elects to convert Obligations owing by **Hightimes Holding Corp.**, a Delaware corporation ("Parent"), **Trans-High Corporation**, a New York corporation, **High Times Productions, Inc.**, a New York corporation, **Cannabis Business Digital, LLC**, a New York limited liability company, **High Times, Inc.**, a New York corporation, **New Morning Productions, Inc.**, a New York corporation, **Hemp Times, Inc.**, a New York corporation, **Planet Hemp, Inc.**, a New York corporation, **The Hemp Borrowers of America, Inc.**, a New York corporation, **High Times Cannex Corp.**, a New York corporation, and **High Times Press, Inc.**, a New York corporation, **Culture Pub, Inc.**, a Delaware corporation and **Wilshire & Veteran Media Corp.**, a Delaware corporation (together with Parent, the "Borrowers" or individually, a "Borrower"), into shares of Parent Common Stock, according to the conditions hereof, as of the date written below. If shares of Parent Common Stock are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Parent in accordance therewith. No fee will be charged to the holder for any Conversion, except for such transfer taxes, if any.

By the delivery of this Notice of Conversion the undersigned represents and warrants to the Parent that its ownership of the Parent Common Stock does not exceed the amounts specified under Section 4 of this Note, as determined in accordance with Section 13(d) of the Exchange Act.

The undersigned agrees to comply with the prospectus delivery requirements under the applicable securities laws in connection with any transfer of the aforesaid shares of Common Stock.

Conversion calculations:

Date to Effect Conversion:

Principal Amount of Note to be Converted:

Number of Conversion Shares that would exceed the limits set forth in Section 4(c) of the Note:

Number of shares of Common Stock to be issued:

Signature:

Name:

Address for Delivery of Common Stock Certificates:

Schedule 1

CONVERSION SCHEDULE

The Fifth Amended and Restated Senior Secured Convertible Note in the original principal amount of \$18,574,439.72 (the "Note") is issued by Hightimes Holding Corp., a Delaware corporation and the other Borrowers named therein. This Conversion Schedule reflects Conversions made under Section 4 of the above referenced Note.

Dated:

<u>Date of Conversion (or for first entry, Original Issue Date)</u>	<u>Amount of Conversion</u>	<u>Aggregate Principal Amount Remaining Subsequent to Conversion (or original Principal Amount)</u>	<u>Hightimes Holding Corp. Attestation</u>