**Promissory Note**

This Promissory Note is made and entered into on this 2024/12/24 by and between:

**Principal Amount:** The Borrower promises to pay the Lender the sum of $8,000,000, as outlined in this Note.

**Terms and Conditions:**

1. **Ownership Rights and Revenue Sharing**
	* The Lender will hold a right to 50% of the gross revenue or profits generated by Verano Residences, as per the agreed terms.
	* Voting Rights: The Lender is entitled to vote on significant corporate matters, including the election of board members.
2. **Repayment and Duration**
	* The principal amount, along with any applicable interest, will be repaid within a period of 4 years ("Payback Period") from the date of this agreement.
	* After the Payback Period, 15% of the annual profit will be allocated to the Lender for the next 10 years as an acknowledgment, unless the Lender decides to reinvest.
3. **Information Rights**
	* The Lender is entitled to financial and operational transparency, including:
		+ Financial Reports: Investor has the right to access the financial health of the hotel, including
		+ Annual Reports: Financial statements such as balance sheets, income statements, and cash flow statements.
		+ Monthly or Quarterly Updates: Regular updates on performance, bookings, revenue, and other metrics.
		+ Operational Reports: Investors may have access to operational reports on hotel occupancy, pricing strategies, guest satisfaction, and other metrics that directly impact the business.
4. **Participation in Major Business Decisions**
	* The Lender has the right to participate in significant business decisions, including:
		+ Right to Participate in Major Business Decisions
		+ Hotel management: Selection of senior executives
		+ Expansion or Renovation: Decisions related to the expansion of the hotel, adding new rooms, or investing in luxury amenities
		+ Strategic Direction: Marketing strategies, pricing policies, and customer acquisition strategies.
		+ Approval Rights: Investors may have the right to approve certain major decisions, such as capital expenditures, hiring key personnel, or taking on new debt.
5. **Debt Financing Approval**
	* The Lender has the right to approve or reject any new debt financing, particularly if it may affect the financial stability or profitability of the business.
6. **Legal Rights and Protections**
	* The Lender has the right to legal recourse in cases of fund mismanagement, contract breach, or unlawful activities.
	* Liability for the Lender is limited to their investment.
7. **Default and Remedies**
	* In the event of a default by the Borrower, the Lender may seek remedies including but not limited to legal action, the right to enforce repayment, or any other lawful measures.
8. **Duration of the partnership**

Investor can exit the project after 4 years (payback period of their investment) partnership will be terminated once the investment is pay backed. - Duration can be extended if the investor prefers to expand their investment after the first payback period. - After the payback period we intend to allocate 15% of the annual profit for the next 10 years as an acknowledgement.

1. **Acknowledgments and Signatures**
	* This Note constitutes the entire agreement between the parties concerning its subject matter and supersedes all prior agreements.
	* Any modifications to this Note must be made in writing and signed by both parties.

A partnership agreement which serves as a legal safeguard, ensuring that each partner understands their role, minimizes potential conflicts, and protects their investment will be signed when entering the project as an investor.

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